

**Local Government Mandate Statement  
Kentucky Legislative Research Commission  
2025 Regular Session**

**Part I: Measure Information**

<b>Bill Request #:</b>	1275	<b>Bill #:</b>	SB 164
<b>Document ID #:</b>	3999	<b>Sponsor:</b>	Senator Lindsey Tichenor
<b>Bill Title:</b>	AN ACT relating to government personnel policies and declaring an emergency.		

Unit of Government:     City                       County                       Urban-County  
                                   Charter County         Consolidated Local     Unified Local

Office(s) Impacted:      All local government agencies that engage in diversity, equity, and inclusion initiatives or that provide any differential treatment or benefits, as these terms are defined in the bill.

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Requirement:             Mandatory             Optional

Effect on Powers & Duties:     Modifies Existing     Adds New     Eliminates Existing

Other Fiscal Statement(s) that may exist:     Actuarial Analysis     Corrections Impact  
     Health Benefit Mandate     State Employee Health Plan

**Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government**

SB 164 would create a new section of KRS Chapter 161 to prohibit state and local governments from implementing diversity, equity, and inclusion initiatives. Section 1 would define "differential treatment or benefits" as any preferential, prejudicial, or unequal treatment, including granting or withholding benefits. "Discriminatory concepts" would be defined as concepts that justify or promote differential treatment based on religion, race, sex, color, or national origin, except those specifically excluded under subsection (3)(b) of the bill. A "diversity, equity, and inclusion initiative" would be any policy, practice, or procedure designed to promote or provide differential treatment or benefits to individuals based on religion, race, sex, color, or national origin, including those related to employment, employee recruitment, hiring, contracts, contract renewal, government policies, or employee discipline. The definition would also encompass policies promoting gender nonconformity or disparaging heterosexuality and

heteronormativity, as well as training or professional development programs promoting discriminatory concepts. However, the bill specifies that diversity, equity, and inclusion initiatives would not include mandates required by federal law.

Section 2 of SB 164 would prohibit state and local governments from providing differential treatment or benefits to any individual, including applicants for employment, promotion, or contract renewal, based on religion, race, sex, color, or national origin. It would also prohibit government agencies from prioritizing or giving preferential consideration to vendors, contracts, or other transactions based on the religion, race, sex, color, or national origin of the ownership, management, or staff of businesses or nonprofit entities, except businesses owned by U.S. and Kentucky residents. Government entities would be prohibited from soliciting pledges or statements regarding religion, race, sex, color, or national origin on employment or benefits applications. Additionally, entities could not require or incentivize employees to participate in diversity, equity, and inclusion training. Public agencies would be restricted from expending resources to:

- a) Establish or maintain diversity, equity, and inclusion offices;
- b) Contract or employ diversity, equity, and inclusion officers;
- c) Provide or fund diversity, equity, and inclusion training;
- d) Establish or maintain diversity, equity, and inclusion initiatives;
- e) Promote or justify discriminatory concepts;
- f) Purchase, promote, or distribute materials advocating discriminatory concepts or diversity, equity, and inclusion initiatives.

Compliance with federal mandates would be narrowly tailored to their explicit, enforceable provisions.

Section 3 of SB 164 would create a new section within KRS Chapter 61, allowing individuals to notify the Kentucky Attorney General of violations of Section 2. The Attorney General would be authorized to bring civil action for a writ of mandamus compelling state or local governments or public agencies to comply. Individuals could also pursue civil actions for injunctive relief. Sovereign, governmental, and qualified immunity would be waived solely for claims arising under this bill.

**The fiscal impact of SB 164 on local governments is indeterminate and would largely depend on the extent to which local governments currently implement diversity, equity, and inclusion initiatives. For entities that do not engage in diversity, equity, and inclusion initiatives, there would likely be no fiscal impact. For entities that are sued under the provisions of the bill, the impact would likely be moderate to significant.**

Various local governments across Kentucky engage in diversity, equity, and inclusion initiatives. The exact number of local governments involved is not known, but several notable examples exist. Louisville-Jefferson County Metro Government established the Office of Equity in 2016. Lexington-Fayette Urban County Government also established an Office of Diversity, Equity, and Inclusion; however, according to a February 19, 2025,

article in the Lexington Herald-Leader, this office is currently in the process of being eliminated. Despite this, Lexington’s Diversity, Equity, and Inclusion Officer will continue working on diversity efforts under the city's human resources department.

Additionally, 24 Kentucky cities and counties have enacted fairness ordinances that identify sexual orientation and gender identity as protected classes against discrimination in housing, employment, and public accommodations. Local governments with such ordinances include: Louisville (1999), Lexington (1999), Covington (2003), Vicco (2013), Frankfort (2013), Morehead (2013), Danville (2014), Midway (2015), Paducah (2018), Maysville (2018), Henderson (2019), Dayton (2019), Georgetown (2019), Versailles (2019), Bellevue (2019), Highland Heights (2019), Fort Thomas (2020), Woodford County (2020), Cold Spring (2020), Newport (2020), Crescent Springs (2021), Augusta (2021), Fort Mitchell (2021), and Elsmere (2022).

Local governments that maintain diversity, equity, and inclusion offices, employ dedicated officers, or provide related training may experience cost savings by eliminating these programs, positions, or expenditures. However, compliance with the bill could require additional administrative oversight to ensure adherence, potentially leading to increased legal and personnel costs.

The bill’s prohibition on requiring or incentivizing employees to participate in diversity, equity, and inclusion training could affect existing contractual obligations or policies, potentially necessitating legal review or policy revisions. Additionally, enforcement mechanisms outlined in Section 3, which allow civil actions and Attorney General intervention, could result in litigation costs for local governments, especially given the waiver of sovereign, governmental, and qualified immunity. Increased legal challenges may therefore result in higher expenditures related to legal defense, settlements, or court-ordered compliance measures.

According to the Kentucky Association of Counties, the bill is not anticipated to have a direct fiscal impact on counties aside from potential litigation costs if found in violation of the act. If litigation occurs, the negative fiscal impact on an individual county could range from moderate to significant.

Input from the Kentucky League of Cities was sought in preparing this mandate. Should additional information be received, this mandate statement may be amended.

**Data Source(s):** KACo; Louisville Office of Equity; Lexington Office of Diversity, Equity, and Inclusion; Lexington-Herald Leader; Louisville Courier-Journal

**Preparer:** AS **Reviewer:** BW (MDA) **Date:** 2/24/25