

BILL ANALYSIS

S.B. 2986
By: Campbell
State Affairs
Committee Report (Unamended)

BACKGROUND AND PURPOSE

The bill sponsor has informed the committee that despite federal precedent affirming equal access to public facilities by religious organizations, certain public schools and public institutions of higher education have denied facility rentals to religious organizations, citing restrictions related to bond covenants, IRS nonprofit requirements, and Establishment Clause concerns. The bill sponsor has informed the committee of one such case where a community church sought to rent a campus auditorium for Sunday worship under a one-year agreement at market value, and although school administrators supported the partnership, the governing board denied the request and asserted legal prohibitions due to bond financing and religious use. The bill sponsor has further informed the committee that these denials both raise concerns about whether current interpretations of tax-exempt bond covenants or public funding rules overstate legal risks and inhibit religious organizations from participating in neutral, publicly available rental processes open to other nonprofit or civic groups, which potentially infringes on free speech and free exercise protections under the First Amendment. S.B. 2986 seeks to protect schools and institutions from liability, while enabling financially sustainable partnerships that uphold freedom of expression without endorsing religion, by authorizing a public school district, open-enrollment charter school, or public institution of higher education to allow use of its facilities by a religious organization under certain conditions.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

S.B. 2986 amends the Education Code to provide for the use by a religious organization of public school or institution of higher education facilities.

Use of Public School Facilities

S.B. 2986 authorizes a public school district or open-enrollment charter school to allow a religious organization to use the district's or charter school's facilities to host religious worship, services, sermons, or assemblies only under the following conditions:

- the use of the facilities does not interfere with the district's or charter school's primary educational mission;
- the religious organization provides the fair market rental value or reimbursement for utilities, security, and other costs related to the use of the facilities as determined by the

board of trustees of the district or the governing body of the charter school, unless waived by the board or governing body;

- the religious organization agrees to be held liable for any damages that occur in the organization's use of the facilities;
- the religious organization is subject to the same rental terms for the use of the facilities that a nonreligious organization would be subjected to for that use; and
- any additional requirements imposed by other law for the use of the facilities are satisfied.

S.B. 2986 establishes that a religious organization's use of a district's or charter school's facilities interferes with the district's or charter school's primary educational mission if any of the following conditions apply:

- the organization hosts religious worship, services, sermons, or assemblies during regular school hours;
- the organization displays signage, symbols, books, or flyers on the district's or charter school's property during any period other than the period in which the district or charter school allows the organization to use the district's or charter school's facilities; or
- the district or charter school or an employee of the district or charter school promotes the organization's use of the facilities in any manner, including by distributing information or making an announcement regarding the organization or use or including religious worship, services, sermons, or assemblies hosted by the organization on an academic calendar.

S.B. 2986 prohibits a state agency, political subdivision, district, or other governmental entity from imposing a penalty or sanction on or denying funding to a district or charter school based on the district's or charter school's decision to allow a religious organization to use the district's or charter school's facilities in the manner provided by the bill.

S.B. 2986 establishes that its provisions relating to the use of public school facilities by religious organizations may not be construed to require a district or charter school to allow a religious organization to use the district's or charter school's facilities for religious purposes if the district or charter school elects not to do so.

Use of Institution of Higher Education Facilities

S.B. 2986 authorizes a public institution of higher education to allow a religious organization to use the institution's facilities to host religious worship, services, sermons, or assemblies only under the following conditions:

- the use of the facilities does not interfere with the institution's primary educational mission;
- the religious organization provides the fair market rental value or reimbursement for utilities, security, and other costs related to the use of the facilities as determined by the institution or its governing board, unless waived by either of those entities;
- the religious organization agrees to be held liable for any damages that occur in the organization's use of the facilities;
- the religious organization is subject to the same rental terms for the use of the facilities that a nonreligious organization would be subjected to for that use; and
- any additional requirements imposed by other law for the use of the facilities are satisfied.

S.B. 2986 establishes that a religious organization's use of a public institution of higher education's facilities interferes with the institution's primary educational mission if any of the following conditions apply:

- the organization hosts religious worship, services, sermons, or assemblies during regular instructional hours, as determined by the institution for this purpose;

- the organization displays signage, symbols, books, or flyers on the institution's property during any period other than the period in which the institution allows the organization to use the institution's facilities; or
- the institution or an employee of the institution promotes the organization's use of the facilities in any manner, including by distributing information or making an announcement regarding the organization or use or including religious worship, services, sermons, or assemblies hosted by the organization on an academic calendar.

S.B. 2986 prohibits a state agency, political subdivision, or other governmental entity from imposing a penalty or sanction on or denying funding to a public institution of higher education based on the institution's decision to allow a religious organization to use the institution's facilities in the manner provided by the bill.

S.B. 2986 establishes that its provisions relating to the use of public institution of higher education facilities by religious organizations may not be construed to require such an institution to allow a religious organization to use the institution's facilities for religious purposes if the institution elects not to do so.

Effect on Contracts

S.B. 2986 establishes that its provisions do not affect the terms of a contract entered into before the bill's effective date, except that if the contract is renewed, modified, or extended on or after the bill's effective date, the changes in law made by the bill apply to the contract beginning on the date of renewal, modification, or extension.

EFFECTIVE DATE

September 1, 2025.