

BILL ANALYSIS

Senate Research Center

S.B. 2986
By: Campbell
Education K-16
4/15/2025
As Filed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

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. In one case, a community church sought to rent a campus auditorium for Sunday worship under a one-year agreement at market value. Although school administrators supported the partnership, the governing board denied the request, asserting legal prohibitions due to bond financing and religious use.

Some schools have additionally expressed concern that even after-hours religious use may interfere with the institution's core educational mission—despite the fact that such requests occur outside of instructional hours and do not disrupt academic operations.

These denials raise broader concerns about whether current interpretations of tax-exempt bond covenants or public funding rules overstate legal risks. They also inhibit religious organizations from participating in neutral, publicly available rental processes open to other nonprofit or civic groups—potentially infringing on Free Speech and Free Exercise protections under the First Amendment.

S.B. 2986 is not intended to conflict with federal or state law. Instead, it affirms compliance with IRS regulations, supports constitutional neutrality, and clarifies the lawful ability of schools to engage in fair community use agreements. It aims to protect schools from liability while enabling financially sustainable partnerships that uphold freedom of expression without endorsing religion.

Legislative Intent:

This legislation clarifies that public schools and universities can permit after-hours facility use by religious groups under the same terms as other nonprofits, provided they comply with federal regulations, rentals are outside instructional hours, agreements are short-term/incidental, and the institution maintains operational control, neutrality, and avoids religious endorsement.

Key Provisions:

1. **Schools and Colleges Can Allow Religious Use of Facilities.** Public school districts, charter schools, and public universities may permit religious organizations to use their facilities for worship, sermons, services, or assemblies, if:

- (1) the use does not interfere with the school's or university's primary educational mission;
- (2) the religious organization pays fair-market rent or reimburses costs (e.g., utilities, security), unless the fees are waived;
- (3) the religious organization is liable for any damages during use.

2. A school or university cannot be penalized by any state agency, political subdivision, or government entity for allowing religious groups to use their facilities after hours.

3. Nothing in S.B. 2986 requires a school or university to rent to religious groups.

Committee Substitute:

A committee substitute will make S.B. 2986 a Texas Legislative Council draft.

As proposed, S.B. 2986 amends current law relating to the protection from adverse action against public schools and institutions of higher education for permitting religious organizations use of facilities.

RULEMAKING AUTHORITY

S.B. 2986 does not expressly grant any additional rulemaking authority to a state officer, institution, or agency.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 11, Education Code, by adding Section 11.173, as follows:

Sec. 11.173. USE OF SCHOOL FACILITIES BY RELIGIOUS ORGANIZATIONS. (a) Authorizes a school district or open-enrollment charter school to permit a religious organization to use school facilities for the purpose of hosting religious worship, services, sermons, or assemblies, provided that:

(1) the use does not interfere with the school's primary educational mission;

(2) the religious organization provides fair-market rental or reimbursement for utilities, security, or other costs as determined by the school district or governing board, unless waived by the school district or governing board; and

(3) the religious organization is required to be held liable for any damages that may incur in the commission or use of the school's facilities.

(b) Prohibits a state agency, political subdivision, school district, or other governmental entity, from imposing a penalty, sanction, or denial of funding to a public school based on its decision to allow religious organizations to use it facilities for religious services.

(c) Prohibits the provisions of this section from being construed to require any school district or open-enrollment charter school to allow religious services if it elects to not do so.

SECTION 2. Amends Chapter 51, Education Code, by adding Section 51.984, as follows:

Sec. 51.984. USE OF UNIVERSITY FACILITIES BY RELIGIOUS ORGANIZATIONS. (a) Authorizes a public institution of higher education in this state to permit religious organizations to use campus facilities for the purpose of hosting religious worship, services, sermons, or assemblies, provided that:

(1) the use does not interfere with the institution's primary educational mission;

(2) the religious organization provides fair-market rental or reimbursement for utilities, security, or other costs as determined by the school district or governing board, unless waived by the school district or governing board; and

(3) the religious organization is required to be held liable for any damages that may incur in the commission or use of the school's facilities.

(b) Prohibits a state agency, political subdivision, or other governmental entity from imposing a penalty, sanction, or denial of funding to an institution based on its decision to allow religious organizations to use its facilities for religious services.

(c) Prohibits the provisions of this section from being construed to require any institution to allow religious services if it elects to not do so.

SECTION 3. Severability clause.

SECTION 4. Effective date: September 1, 2025.