

Law & Ministry Update



The latest news about emerging legislative and judicial developments affecting Christian ministries.

Volume 2 — July 2025

FEATURED ARTICLE

Religious Liberty Affirmed by Supreme Court of the United States

Court Rules Your Ministry is
“Religious Enough”

Court Backs State Authority in
Youth Transition Case

Plus, why your ministry might be forced to return tithe money—and four critical judicial updates that could affect your ministry.

Preparing for the Road Ahead

In volume 2 of Law & Ministry Update, the Legal Assist team explores:

- Case Spotlight: A closer look at recent court decisions affecting religious liberty and employment practices.
- Emerging Legal Trends: How new legislation may impact ministries and faith-based organizations.
- Watch the Podcast: Join attorneys from Brotherhood Mutual as they go in-depth on three critical issues including immigration enforcement, transgender treatment bans, and whether certain ministry activities can disqualify a religious exemption from unemployment insurance taxes. They provide key insights to help ministries boldly live out their faith and proclaim gospel truth. www.brotherhoodmutual.com/legalassist/update
- Additional Cases: Visit the Law & Ministry Update webpage to see what was reviewed in May 2025. www.brotherhoodmutual.com/legalassist/update

Welcome to Law & Ministry Update

Brotherhood Mutual's newest resource is here to help ministries understand rapidly developing challenges that could affect their organizations. The team from Legal Assist is monitoring cases and legislative changes to provide ministries with timely updates and actionable insights from an insurance and risk management perspective. From Supreme Court rulings to emerging state laws, the goal is to inform and empower ministries to adapt and thrive in an increasingly complex legal environment.

Legal Assist is a free, ministry-focused service that provides access to Brotherhood Mutual's in-house team of legal professionals. They provide complimentary risk management guidance to your questions about ministry-related legal issues, including facility use, abuse prevention, employment, security, contracts, waivers, governance, and many others. Visit www.brotherhoodmutual.com/legalassist to get started.

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Brotherhood Mutual is pleased to provide Legal Assist as a complimentary resource. Services through Legal Assist aim to provide general risk management guidance to our current and prospective policyholders.

While the information provided in this resource is intended to be helpful, it does not constitute legal advice and should not be used as a substitute for advice from a licensed attorney in your area. Please note that no attorney/client relationship is established through this process, and no legal advice will be provided. We strongly recommend regular consultations with a licensed local attorney as part of your risk management program.

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U.S. Supreme Court Updates

Case #1 (From vol. 1): National Implications

Decision Date: June 5, 2025

Catholic Charities Bureau, Inc. v. Wisconsin Labor & Industry Review Commission

Court Rules Your Ministry is “Religious Enough”

What You Need to Know

The state of Wisconsin denied Catholic Charities Bureau a religious exemption from unemployment insurance taxes, arguing that because the ministry serves people of all faiths and does not engage in proselytizing, it was not sufficiently religious. The U.S. Supreme Court unanimously rejected this flawed reasoning, affirming that genuine faith cannot be measured by who a ministry serves or how it expresses its beliefs.

✝ Why This Matters

This ruling is a significant affirmation of religious freedom. It confirms that ministries have the constitutional right to define their mission and methods of service without government interference. Whether a ministry chooses to evangelize, serve, or do both, it remains protected under the First Amendment. Importantly, it limits the power of government agencies to impose their own theological interpretations when determining what qualifies as religious work.

Case #2 (From vol. 1): National Implications

Decision Date: June 18, 2025

United States v. Skrmetti

Court Backs State Authority in Youth Transition Case

What You Need to Know

The U.S. Supreme Court upheld Tennessee’s Senate Bill 1 (SB1), which prohibits certain gender-transition treatments for minors, including puberty blockers and hormone therapy. Opponents argued the law violated a constitutional right to access such care and discriminated against transgender youth. The Court disagreed, finding the law was based on age and medical judgment—not gender identity. The justices emphasized the state’s legitimate interest in protecting minors from treatments that may be irreversible or still considered experimental.

✝ Why This Matters

With over half the states enacting similar laws, this ruling has wide-reaching implications. For ministries that hold traditional views, the decision offers reassurance: the court did not establish a constitutional right for minors to receive gender-transition treatments. This provides space for pastoral care rooted in doctrinal convictions when counseling families navigating questions of identity. At the same time, ministries with differing theological perspectives should be mindful of the diverse legal landscape. In some states, minors may seek gender-transition care without parental involvement—raising complex considerations concerning parental rights and pastoral responsibility.

Federal Case

Case #1: Regional Implications

Markel v. Union of Orthodox Jewish Congregations of America, et al.

Could ministries be sued for apparently “non-religious” job decisions?

When a food inspector sued his religious employer over unpaid wages and a missed promotion, the court faced a pivotal question: Can religious organizations lose First Amendment protection if their employment decisions appear unrelated to religion? In a major decision, the U.S. Court of Appeals for the Ninth Circuit ruled “no”—and reaffirmed a powerful legal shield for ministries.

What You Need to Know

In *Markel v. Union of Orthodox Jewish Congregations of America, et al.*, an Orthodox Jewish man worked for seven years as a mashgiach—a religious inspector ensuring kosher food standards—at two wineries. He later sued the organization that employed him, claiming he had been denied overtime pay and misled about promotions. His employer argued that the ministerial exception—a legal doctrine that protects the right of religious institutions to make employment decisions about their ministers without government interference—shielded it from lawsuits brought by ministerial employees. The Ninth Circuit agreed. The court found that the organization was clearly religious and that Markel’s position, as someone responsible for kosher compliance, was essential to the ministry’s spiritual mission.



Why This Matters

This Ninth Circuit ruling strengthens legal protections for religious organizations in its jurisdiction by affirming their constitutional right to make employment decisions about individuals in religious roles without court interference, even when those decisions appear unrelated to theological doctrine. Notably, the court broadened the definition of who qualifies as a “minister,” clarifying that the ministerial exception applies not only to clergy, but also to employees whose work is meaningfully tied to the organization’s religious mission. As a result, religious employers may be shielded from a wider range of employment-related lawsuits if the employee’s role is connected to the ministry’s religious functions. While the ruling is only binding in the Ninth Circuit, its reasoning may influence how courts in other parts of the country interpret similar cases, potentially expanding protections for ministries nationwide.



What Your Ministry Can Do

- 1. Reinforce Your Religious Purpose:** Ensure your governing documents clearly state your ministry’s spiritual purpose, scriptural foundation, and religious intent—quoting Scripture where appropriate.
- 2. Review Ministerial Roles:** Clearly identify staff positions that serve religious functions and ensure job descriptions reflect their role in carrying out your ministry’s mission.
- 3. Love the Laborers:** Remember that the ministerial exception does not cover all legal claims. Continue to strive for fair, respectful, and lawful treatment of all personnel to uphold your ministry’s witness and mitigate potential risks.

Court: Ninth Circuit (Covers AK, AZ, CA, HI, ID, MT, NV, OR, WA)

Status: The Ninth Circuit affirmed the dismissal of Markel’s claims. No further appeals or petitions have been filed.

Date: December 30, 2024

Federal Case

Case #2: Regional Implications

Huntsman v. Corporation of the President of The Church of Jesus Christ of Latter-day Saints

Could a ministry be forced to refund a tithe?

That's exactly the question the Ninth Circuit recently weighed in on—raising serious implications for churches and ministries nationwide.

Can a judge determine whether your financial practices match your public promises? Are ministries legally accountable not just for handling tithes, but for how they describe them? This case is forcing ministries to confront a sobering reality: transparency isn't just a virtue—it may now be a legal necessity.

What You Need to Know

James Huntsman, a former member of The Church of Jesus Christ of Latter-day Saints, donated millions in tithes over two decades. After leaving the church, he filed a lawsuit alleging fraud. His claim? That church leaders had publicly promised tithing funds would not be used for commercial ventures—yet allegedly used those funds to help redevelop a shopping mall in Salt Lake City.

The Church invoked the church autonomy doctrine, a legal principle that protects religious organizations from government interference in internal matters like doctrine, governance, and leadership. It argued that how it used tithes was a spiritual issue, not a legal one.

But the court didn't dismiss the case outright. Instead, it examined whether the Church's public statements about tithing aligned with its actual financial practices. Ultimately, the court ruled in favor of the Church, noting that the Church had long clarified that earnings from invested tithes, not the tithes themselves, were used for the mall project.



Why This Matters

This ruling sends a powerful message: religious organizations are not immune from misuse of charitable funds claims simply because they are faith-based. While the Church prevailed, the court's willingness to scrutinize its statements and financial actions is a wake-up call for ministries everywhere.

While the church autonomy doctrine protects a religious organization's right to govern its internal affairs—such as doctrine, leadership, and membership—without government interference, this case shows that this protection is not absolute. When a church makes public representations—especially about money—courts may step in to ensure those statements are not misleading.



What Your Ministry Can Do

- 1. Align Words with Actions:** Ensure that all public statements—whether from the pulpit, in print, or online—accurately reflect how funds are used. Courts may compare your words to your financial records.
- 2. Respect Donor Intent:** If a donor designates a gift for a specific purpose (e.g., missions, building funds, outreach), use it accordingly. Misuse can lead to legal liability and loss of trust.
- 3. Document Everything:** Maintain clear, consistent records of how donations are allocated and spent. Transparent accounting and internal controls are your best defense against allegations of misrepresentation.

Court: Ninth Circuit (Covers AK, AZ, CA, HI, ID, MT, NV, OR, WA)

Status: The Ninth Circuit affirmed summary judgment for the church. No further appeals are pending, and the decision remains final.

Date: January 31, 2025

Federal Case

Case #3: Local Implications

Defending Education, et al. v. Sullivan, et al.

Can the government force ministries to speak against their beliefs about gender?

A new Colorado law may do just that—requiring ministries and nonprofits to use individuals’ chosen names and preferred pronouns in public-facing services or risk steep civil penalties. While framed as anti-discrimination, the law raises urgent constitutional questions: Can the state compel speech that contradicts a ministry’s religious convictions? And if so, what does that mean for the future of faith-based service in the public square?



What You Need to Know

In May 2025, Colorado passed the “Kelly Loving Act,” a sweeping amendment to its Anti-Discrimination Act that expands protections for transgender individuals. Among its provisions, the law prohibits “deadnaming” (using someone’s birth name) and “misgendering” (using biological pronouns) in places of public accommodation. It also bans any communication—verbal, written, or digital—that implies someone is “unwelcome” due to their gender expression.

A coalition of nonprofits, including religiously affiliated organizations, filed suit, arguing that the law violates their First Amendment rights by compelling them to use language that contradicts their deeply held beliefs. They are asking the court to block the law’s enforcement, claiming it forces individuals and ministries to affirm ideas they do not agree with.



Why This Matters

Colorado’s new law presents a deeply troubling precedent. The issue at stake is not simply about pronouns—it’s about whether the government can compel ministries to speak in ways that may conflict with their conscience, mission, or theological convictions. While churches and other spaces used primarily for religious purposes are exempt, other ministry operations—including food pantries, thrift stores, shelters, and counseling centers—may not be. This law opens the door to state enforcement of ideological conformity, where ministries must either comply with government-mandated speech or risk legal consequences. Regardless of where a ministry stands theologically, this case raises urgent questions about the future of religious expression, operational autonomy, and the ability to serve the public without compromising core convictions. If this law stands, it could reshape how ministries function—not just in Colorado, but across the country.

What Your Ministry Can Do

- 1. Chronicle Your Convictions:** Ensure your ministry’s governing documents, employee handbooks, and public-facing statements clearly articulate your theological convictions on sex, gender, and human identity.
- 2. Audit Your Public-Facing Ministries:** Review all ministry operations to determine whether they could be classified as “places of public accommodation” under local state law. If so, they may be subject to the law’s speech and conduct requirements.
- 3. Train Staff and Volunteers:** Equip your team with clear guidance on how to engage the public respectfully while remaining true to your convictions.

Court: United States District Court for the District of Colorado

Status: This case is in its early stages. No major developments, such as hearings or rulings, have been reported since the complaint was filed.

Date: May 19, 2025

State Case

Case #4: State Implications

Calvary Temple Church of Evansville, Inc. v. Kirsch

How far does liability extend when ministry volunteers take a spill?

If a volunteer gets injured outside the sanctuary—say, in your parking lot or while helping with a building project—are you legally protected? A recent Indiana Supreme Court ruling says “yes.” While limited in its application to ministries in Indiana, the implications of the case could reach far beyond state lines. Here’s what every church and ministry needs to understand about the boundaries of liability.

What You Need to Know

Gerard Kirsch, a longtime board member at Calvary Temple Church in Evansville, fell from a ladder while helping build a storage barn on the church’s property. He later sued the church, claiming it failed to provide safe equipment and proper supervision. Normally, property owners must exercise “reasonable care” for the safety of people on their property, especially those there for the owner’s benefit (known as “invitees”). This involves identifying and addressing hidden dangers.

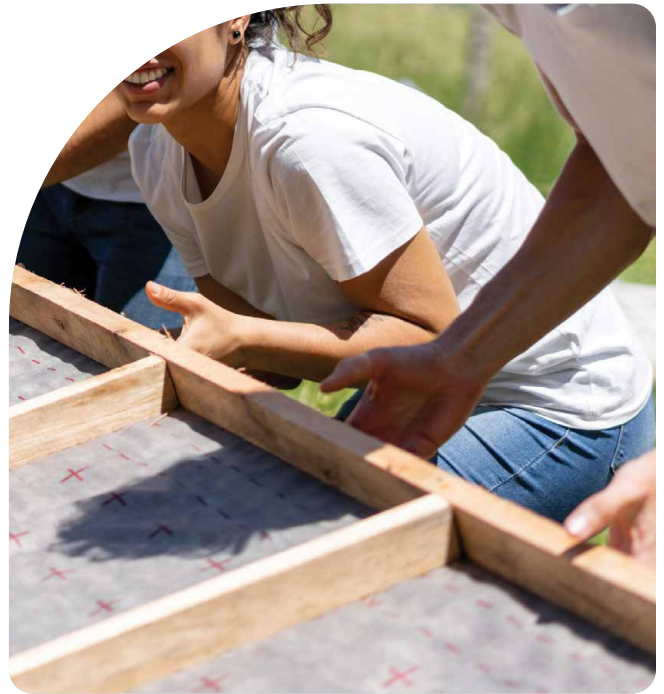
However, Indiana law grants nonprofit religious organizations a reduced legal duty of care for properties primarily used for worship. The key question in this case was whether this lower standard applied only to the church’s main sanctuary or to all areas of church property. The Indiana Supreme Court clarified that the reduced standard covers the entire church property—not just the sanctuary. Because Mr. Kirsch acknowledged that the church met this lower standard, the court dismissed his case.



Why This Matters

This decision marks a significant expansion of legal protections for religious organizations—clarifying that Indiana’s liability-limiting statute applies not just to the sanctuary, but to the entire church property. This means nonprofit churches in Indiana are shielded from certain negligence claims even when accidents occur in areas like parking lots or storage buildings, as long as the property is primarily used for religious purposes.

While this ruling is legally binding only in Indiana, for ministries nationwide, the case underscores the importance of understanding how state laws define duties of care and how those definitions can impact legal exposure. In states without similar protections, ministries could be fully liable for failing to provide a safe environment for anyone, anywhere on their property—from volunteers working with the youth to contractors building a new fence. A single incident could expose churches to costly litigation, insurance challenges, and lasting reputational damage.



What Your Ministry Can Do

- 1. Know Your State’s Laws:** Familiarize yourself with premises liability statutes for religious organizations in your state.
- 2. Inspect and Maintain Your Property:** Regularly inspect buildings, tools, and equipment—even if volunteers bring their own—to identify and address hazards.
- 3. Train and Equip Volunteers:** Offer basic training or guidance for facility tasks, especially when ladders, power tools, or machinery are involved.
- 4. Document Safety Practices:** Keep records of inspections, training, and safety protocols.

Court: Indiana Supreme Court

Status: The Indiana Supreme Court instructed the trial court to enter summary judgment for the church and against Kirsch.

Date: February 11, 2025

State Case

Case #5: State Implications

Jeremiah Counsel Corporation v. Young, et al.

How could a megachurch's bylaws fight affect your ministry?

A major legal dispute involving one of Houston's largest churches is raising big questions about how churches are run—and what happens when members disagree with leadership decisions.

What You Need to Know

In April 2025, Jeremiah Counsel Corporation (JCC), a nonprofit formed by members of Houston's Second Baptist Church, filed a lawsuit against the church's senior leaders. The lawsuit claims that major changes to the church's bylaws—such as removing members' voting rights and concentrating authority in the leadership—were made without proper notice or adherence to the church's governing rules.

In June 2025, church leaders denied the allegations, asserting the bylaw changes were properly announced and approved by both trustees and members. They asked the court to dismiss the case under the church autonomy doctrine and argued that JCC lacks standing to represent church members.



Why This Matters

Regardless of how the case is resolved, it highlights a growing legal reality: church governance isn't just internal—it's a legal risk. Courts may not judge theology, but they can step in when ministries are alleged to violate their own rules. Vague bylaws, rushed decisions, or procedural missteps can open the door to lawsuits—even from within your congregation.

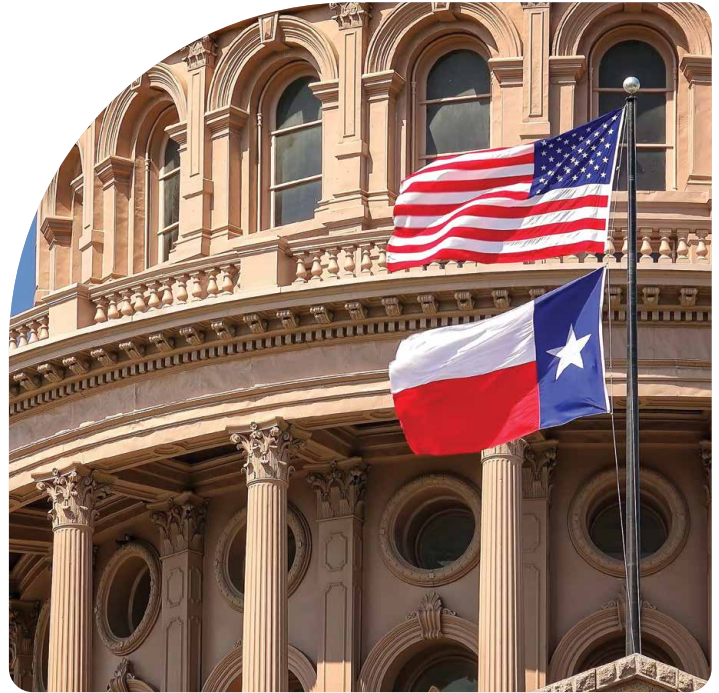
Are your bylaws current? Is your decision-making trusted? Could your governance structure withstand legal scrutiny?

This is about more than compliance—it's about protecting your mission and your community's trust.

In Our Next Issue

What's driving today's nuclear verdicts—and how can ministries reduce the risk of runaway jury awards? Plus, a stunning twist in a Colorado religious freedom case involving a Christian camp.

Visit us at brotherhoodmutual.com/legalassist/update



What Your Ministry Can Do

- 1. Review Your Bylaws:** Regularly examine your bylaws and other governing documents to ensure they comply with state laws and reflect your ministry's current governing structure and practices.
- 2. Follow the Rules—Every Time:** Any changes to bylaws or leadership structures must strictly follow the procedures outlined in your governing documents.
- 3. Consult Trusted Counsel:** Before making governing or structural changes to your organization, consult with attorneys who understand both nonprofit law and religious governance. A few hours of legal review can prevent years of litigation.

Court: Eleventh Division of the Texas Business Court

Status: While initially filed in the Harris County District Court, the case has been removed to the Eleventh Division of the Texas Business Court; hearings on the validity of the amendments are expected later this year.

Date: April 15, 2025