

**BILL ANALYSIS**

H.B. 1039  
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Ways & Means  
Committee Report (Unamended)

**BACKGROUND AND PURPOSE**

The bill author has informed the committee that constraints placed on the City of Alpine's use of hotel occupancy tax revenue limit Alpine's ability to fund tourism initiatives and economic development projects that best serve local needs and that the City of Alpine needs greater autonomy in managing local resources. H.B. 1039 seeks to grant Alpine the same flexibility as other cities, allowing local leaders to allocate hotel occupancy tax funds strategically to enhance tourism, support local businesses, and drive economic growth by repealing current Tax Code provisions that impose additional restrictions on the city not imposed on most other Texas municipalities.

**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**

H.B. 1039 repeals Section 351.1035, Tax Code, which provides for the allocation of municipal hotel occupancy tax revenue collected by the largest municipality in a county that borders the United Mexican States and that contains a national park of more than 400,000 acres. The bill applies only to revenue collected on or after the bill's effective date. Revenue collected before the bill's effective date is governed by the law in effect when the revenue was collected, and the former law is continued in effect for that purpose.

**EFFECTIVE DATE**

On passage, or, if the bill does not receive the necessary vote, September 1, 2025.