

1 SENATE BILL NO. 268

2 INTRODUCED BY G. HERTZ

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4 A BILL FOR AN ACT ENTITLED: "AN ACT GENERALLY REVISING SHORT-TERM RENTAL LAWS;  
5 ESTABLISHING THAT A SHORT-TERM RENTAL IS A RESIDENTIAL USE OF PROPERTY; ESTABLISHING  
6 THAT SHORT-TERM RENTALS ARE PERMISSIBLE UNLESS PROHIBITED THROUGHOUT A ZONING  
7 DISTRICT; PROVIDING A GRANDFATHER CLAUSE FOR CERTAIN SHORT-TERM RENTALS; AMENDING  
8 SECTIONS 7-1-111, 70-24-104, ~~76-2-205~~ 76-2-203, AND 76-2-303, MCA; AND PROVIDING AN IMMEDIATE  
9 EFFECTIVE DATE, A RETROACTIVE APPLICABILITY DATE, AND AN APPLICABILITY DATE."

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11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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13 NEW SECTION. Section 1. Short-term rentals. (1) Unless the clear and express terms of a  
14 covenant provide otherwise, a short-term rental is a residential use of property.

15 (2) As used in this section, "short-term rental" has the meaning provided in 15-68-101.

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17 NEW SECTION. Section 2. Short-term rentals. (1) Unless the clear and express terms of a  
18 homeowners' association's bylaws or other governing instrument provide otherwise, a short-term rental is a  
19 residential use of property.

20 (2) As used in this section, "short-term rental" has the meaning provided in 15-68-101.

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22 NEW SECTION. Section 3. Short-term rentals. (1) A short-term rental is a residential use of  
23 property.

24 (2) (a) Unless expressly prohibited in the entirety of a jurisdictional area or a zoning district, if the  
25 jurisdictional area is divided into zoning districts, short-term rentals are permissible in areas zoned for  
26 residential use.

27 (b) An express prohibition on short-term rentals may not preclude the short-term rental of all or part  
28 of:

1 (2) (a) A regulation, restriction, or boundary may not become effective until after a public hearing in  
2 relation to the regulation, restriction, or boundary at which parties in interest and citizens have an opportunity to  
3 be heard has been held. At least 15 days' notice of the time and place of the hearing must be published in an  
4 official paper or a paper of general circulation in the municipality.

5 (b) Notice of a regulation, restriction, or boundary that would prohibit short-term rentals must  
6 demonstrate how the prohibition furthers the criteria and guidelines provided in 76-2-304.

7 (3) (a) For municipal annexations, a municipality may conduct a hearing on the annexation in  
8 conjunction with a hearing on the zoning of the proposed annexation if the proposed municipal zoning  
9 regulations for the annexed property:

10 (i) authorize land uses comparable to the land uses authorized by county zoning;

11 (ii) authorize land uses that are consistent with land uses approved by the board of county  
12 commissioners or the board of adjustment pursuant to Title 76, chapter 2, part 1 or 2; or

13 (iii) are consistent with zoning requirements recommended in a growth policy adopted pursuant to  
14 Title 76, chapter 1, for the annexed property.

15 (b) A joint hearing authorized under this subsection (3) fulfills a municipality's obligation regarding  
16 zoning notice and public hearing for a proposed annexation."

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18 **NEW SECTION. Section 9. Grandfather clause.** A short-term rental that was in existence on [the  
19 effective date of this act] is not subject to [sections 3 and 4] or any additional regulation that was not in  
20 existence as of [the effective date of this act].

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22 **NEW SECTION. Section 10. Codification instruction.** (1) [Section 1] is intended to be codified as  
23 an integral part of Title 70, chapter 17, part 2, and the provisions of Title 70, chapter 17, part 2, apply to [section  
24 1].

25 (2) [Section 2] is intended to be codified as an integral part of Title 70, chapter 17, part 9, and the  
26 provisions of Title 70, chapter 17, part 9, apply to [section 2].

27 (3) [Section 3] is intended to be codified as an integral part of Title 76, chapter 2, part 2, and the  
28 provisions of Title 76, chapter 2, part 2, apply to [section 3].