

1 SENATE BILL NO. 268
2 INTRODUCED BY G. HERTZ

3
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; AMENDING SECTIONS 7-1-111, 70-24-104, 76-2-205, AND 76-2-303, MCA; AND PROVIDING AN
8 IMMEDIATE EFFECTIVE DATE, A RETROACTIVE APPLICABILITY DATE, AND AN APPLICABILITY DATE."
9
10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11
12 NEW SECTION. Section 1. Short-term rentals. (1) Unless the clear and express terms of a
13 covenant provide otherwise, a short-term rental is a residential use of property.

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

15
16 NEW SECTION. Section 2. Short-term rentals. (1) Unless the clear and express terms of a
17 homeowners' association's bylaws or other governing instrument provide otherwise, a short-term rental is a
18 residential use of property.

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

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

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

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

28 (i) a property on which a property owner's primary residence is situated;

1 (ii) a single, separate residence on the same parcel as a property owner's primary residence; or
 2 ~~(ii)(iii) a property adjacent to the property owner's primary residence~~ a single residence on a separate
 3 property from the property owner's primary residence that shares a boundary with the property in subsection
 4 (2)(b)(i), inclusive of properties that are separated by public rights-of-way but are otherwise adjacent.

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

6 (4) Nothing in this section may be construed to affect the applicability of a tax to any short-term
 7 rental as otherwise authorized in Title 7, chapter 6, part 15.

8
 9 NEW SECTION. Section 4. Short-term rentals. (1) A short-term rental is a residential use of
 10 property.

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

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

15 (i) a property on which a property owner's primary residence is situated;

16 (ii) a single, separate residence on the same parcel as a property owner's primary residence; or

17 ~~(ii)(iii) a property adjacent to the property owner's primary residence~~ a single residence on a separate
 18 property from the property owner's primary residence that shares a boundary with the property in subsection
 19 (2)(b)(i), inclusive of properties that are separated by public rights-of-way but are otherwise adjacent.

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

21 (4) Nothing in this section may be construed to affect the applicability of a tax to any short-term
 22 rental as otherwise authorized in Title 7, chapter 6, part 15.

23
 24 **Section 5.** Section 7-1-111, MCA, is amended to read:

25 **"7-1-111. Powers denied.** A local government unit with self-government powers is prohibited from
 26 exercising the following:

27 (1) any power that applies to or affects any private or civil relationship, except as an incident to the
 28 exercise of an independent self-government power;