

Legislative Changes to Resort Licenses (SB358)

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The 2019 Montana Legislature passed SB 358 (An act revising resort area Alcoholic beverage license laws) and the Montana Tavern Association supported the bill throughout the process.

The bill revises some of the criteria that was originally set around the time the Big Sky Resort was first being developed; some of that criteria was previously amended in 1999. Specifically, the bill broadened the definition of an accommodation unit to include spaces, such as a condo unit, that are used in the short-term rental pool, for resort guests. The bill created a new process for places like the Yellowstone Club to access licenses needed to serve their guests and allows these “mega” resorts to deliver alcohol on their resort property.

The bill also recognized that these licenses are valuable and that resorts are willing to pay for them, so the bill raised the price of a new issue resort license paid to the state from \$20,000 to \$100,000 each.

The bill splits the resort license issuance process into two parts. The first part of the process is the resort determination; which is when the department determines if the resort meets the minimum qualifications to be a resort. The second part of the process is the license issuance part; where licenses are issued based on the criteria set forth in the bill. The MTA worked with Department of Revenue and leveraged their knowledge, to make this process work better.

Finally, the bill clarified that all resort owners will play by the same rules; there were some owners that were not subject to the 1999 amendments to the law and did not want to be subject to the 2019 amendments to the law. The bill ensures that all participants will be playing by the same rules, set in the current statute.

I do not expect to see many new resorts pop up overnight because of this law change. One key part of the law; new resorts area designations cannot occur within 5 miles of any city or town (existing quota areas). New resorts can only be set up in areas covered by a county quota. Nearly every county has licenses available currently and people do not have to pay the \$100,000 fee for those county licenses.

I believe that the MTA’s work on this bill shows the willingness of the MTA to address real issues with the licensing system, so that the system continues to provide its dual role of serving and protecting the public.

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