130 6th Street West, Room
Columbia Falls, MT 59912
Phone: (406) 892-4391

Short-Term Rental Program: Changes Coming in 2027

Dear Short-Term Rental Property Owner or Property Manager,

The City of Columbia Falls is preparing for substantial changes to its Short-Term Rental (STR) Program beginning in 2027. The City recognizes STR businesses provide important visitor accommodation and economic opportunities within our community. At the same time, continued growth in STR activity has impacted the housing market and created a need for greater consistency, clearer policy expectations for STR businesses, stronger neighborhood protections, and improved Resort Tax compliance. The City's goal is to establish a program that is **consistent, transparent, fair to responsible STR businesses and neighborhoods, and adequately funded to provide effective administration and oversight.**

Proposed Permit and Fees

Beginning in 2027, each eligible STR would need a Short-Term Rental Special Provisions Permit. The proposed initial property permit fee is $400 and the annual renewal fee is $250. Additional fees may apply to multiple STR units, inspections, or other services. The fees are designed to more closely recover the City's cost of administering the program rather than shifting those costs to the general taxpayer. The updated program establishes common permitting and operating standards for STRs across all zoning districts, and it places greater emphasis on property-owner responsibility, inspections, neighborhood impacts, and Resort Tax compliance.

Resort Tax Compliance and Third-Party Monitoring

Resort Tax compliance will be a major focus of the updated program. **The City is using third-party STR monitoring software** to assist in identifying active rental listings, monitoring permit status and compliance, and estimating projected Resort Tax obligations. Estimated Resort Tax projections may prompt additional review or an audit, but an estimate alone will not establish a violation or final tax liability. Owners may be required to provide records verifying rental activity, gross lodging revenue, and Resort Tax reporting.

Existing STRs with delinquent Resort Tax reporting or payments may still be eligible for a 2027 permit if the owner has intent to pay all past-due Resort Tax in full, or the owner enters into a City-approved payment plan, no later than **June 1, 2027**. If the delinquency is not resolved by that date, the 2027 permit will be terminated. The City may report the property's non-compliant status to applicable hosting platforms and pursue available administrative and civil remedies.

The purpose of this additional oversight is to improve consistency and fairness. STR businesses that properly register and pay Resort Tax should not be placed at a disadvantage by properties operating outside of the STR and Resort Tax requirements. Resort Tax revenue is essential to supporting City operations and maintaining infrastructure for our tourism-impacted community.

Fire Inspections and Life-Safety Requirements

Life safety will remain a fundamental requirement of the STR program. An STR without a satisfactory Columbia Falls Fire Department and other public accommodation inspections on file will not be eligible for a 2027 permit. Operators who do not have a current inspection should contact the City and/or the Flathead County Health Department early so the inspection and any corrective work can be completed before the 2027 permitting period and limit any loss of STR business in 2027.

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Transition for Existing Property Deficiencies

The City recognizes that some existing STR properties may have non-life-safety deficiencies that cannot reasonably be corrected immediately, such as driveway paving or parking improvements. The proposed transition within the program policy would allow up to one year to complete eligible non-life-safety corrections, with full compliance required before issuance of a 2028 permit. Life-safety requirements are not eligible for this extension. This approach is intended to bring existing properties into compliance while avoiding unnecessary disruption to otherwise responsible STR businesses.

Neighborhood Communication and Property Rules

Owners and property managers are expected to maintain property-specific guest rules that support clear communication and reduce impacts on surrounding neighborhoods. Rules should address occupancy, parking, quiet hours, trash and bear-aware practices, emergency procedures, and local contact information. The City will require operators of STRs to provide to the City a copy of the property-specific guest rules while avoiding unnecessary duplication of reasonable rules that most operators already use with guests.

The City plans to publish a public-facing map of licensed STR properties. The map will help residents identify authorized STRs, support transparency, and assist the City in responding to concerns about unlicensed or noncompliant operations.

Public Review – What STR Operators Should Do Now

The City Council will review the draft STR Resolution and Policy on November 2, receive and review public comments on November 16, and consider final adoption on December 7. Current owners and operators are encouraged to review the proposal and provide practical comments before adoption. The draft Resolution 1979 and proposed STR Program Policy are available at: www.cityofcolumbiafalls.org/1290/Short-Term-Rentals

We encourage all current STR owners to begin preparing now. Please review your Resort Tax account and confirm required inspections are current.

The City understands that this is a substantial change in STR policy and administration and anticipates that the program will continue to evolve as the City gains experience and receives feedback from property owners, residents, and other stakeholders. The goal is a workable, consistent program that protects guests and neighborhoods while ensuring accountability and fairness throughout the community.

For questions or review of your STR business' current compliance status please contact the City Clerk at 406-892-4388 or cityclerk@cityofcolumbiafalls.com

Thank you for your cooperation as the City transitions to the updated program.

Sincerely,

City Manager
City of Columbia Falls