

ORDINANCE No. 282

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF WEST YELLOWSTONE AMENDING SECTION 5.04 OF THE WEST YELLOWSTONE TOWN CODE TO CORRECT AND CLARIFY CERTAIN PROVISIONS OF THE BUSINESS LICENSE ORDINANCE

WHEREAS, the Town Council of the Town of West Yellowstone believes that requiring businesses which operate in the Town to obtain a business license, which allows the Town to obtain information about the business, ensure the business meets the other requirements of the Town Code and complies with the Resort Tax requirements of the Town, is in the best interests of the health, safety and welfare of the citizens of West Yellowstone; and

WHEREAS The Town adopted Section 5.04 Business Licenses originally in 2006 and amended it in 2018; and

WHEREAS, The Town has noticed that certain provisions of the code were not clear and enforcing those provisions was difficult; and

WHEREAS the Town held a work session on revisions to the code on April 7, 2026; had the first reading of the Ordinance at a duly noticed open meeting on April 21, 2026 at which time it heard from staff and took public comments on the Ordinance; and

WHEREAS, on May 18, 2026, The Town Council held a public hearing on the second reading of the Ordinance at which it took public comment either for or against the Ordinance:

NOW THEREFORE, BE IT ORDAINED by the Town Council of the Town of West Yellowstone that the following amendment be made to the municipal code of the Town of West Yellowstone, effectively amending Section 5.04 as set out in the attached Exhibit A:

Section 1: The revised code is attached hereto as **Exhibit A**.

Section 2: REPEALER: All ordinances and parts of ordinances in conflict with provisions of this ordinance, except as provided above, are hereby amended or repealed.

Section 3: EFFECTIVE DATE: This ordinance shall be in full force and effect thirty (30) days after final adoption by the Town Council of the Town of West Yellowstone.

Section 4: SEVERABILITY: If any portion of this ordinance or the application therefore to any person or circumstance is held invalid, such invalidity shall not affect other provisions of this ordinance which may be given effect without the invalid provisions or application and, to this end, the provisions of this ordinance are declared to be severable.

PASSED BY the Town Council and approved by the Mayor of the Town of West Yellowstone, Montana, this ____ day of _____, 2026.

Mayor Travis Watt

Council Member Greg Forsythe

Council Member Brian Benike

Council Member Julia Wittmer

Council Member Brock Wilson

ATTEST:



Town Clerk Elizabeth Roos

EXHIBIT A

Chapter 5.04 BUSINESS LICENSES

Sections:

5.04.010 Definitions.

5.04.020 Business license required.

5.04.030 Application procedure.

5.04.040 License issued on annual basis.

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5.04.065 Expositions and outdoor sales.

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5.04.090 Business license revocation.

5.04.100 License revocation procedure.

5.04.110 Violations--Penalties.

5.04.010 Definitions.

For purposes of this chapter, the following definitions apply:

A. "Adult-use dispensary" means a licensed premises from which a person licensed by the Department of Revenue (the "Department") may: (1) obtain marijuana or marijuana products from a licensed cultivator, manufacturer, dispensary, or other licensee approved under Title 16, Chapter 12, MCA, and (2) sell marijuana or marijuana products to registered cardholders, adults that are twenty-one years of age or older, or both.

B. "Adult-use marijuana-infused products provider" means a person licensed by the Department to manufacture and provide marijuana-infused products for consumers.

C. "Business" means every trade, occupation, profession, vocation, enterprise, nonprofit enterprise, establishment, or activity that is conducted for private profit or benefit and that is not specifically exempted by state law or this chapter. "Business" also includes the lease or rental of commercial facilities/buildings and includes the lease or rental of residential facilities, such as single-family homes, apartments, mobile homes, or condominiums, whether nightly or long-

term. "Business" excludes temporary or short-term fundraising activities conducted by a church, school or by a nonprofit civic, fraternal organization, or individual under the age of eighteen.

D. "Consumer" means a person twenty-one years of age or older who obtains or possesses marijuana or marijuana products for personal use from a licensed dispensary but not for resale.

E. "Cultivator" means a person licensed by the Department to: plant, cultivate, grow, harvest and dry marijuana; and package and relabel marijuana products at the location in a natural or naturally dried form that has not been converted, concentrated or compounded for sale through a licensed dispensary.

F. "Location" means an address on a specific lot which is a parcel or plot of land shown as an individual unit of ownership on the most recent plat or other record of subdivision.

G. "Lodging facility" means a residential or commercial building that contains individual sleeping rooms or suites and that provides overnight lodging for compensation for periods less than thirty days. "Lodging facility" includes a hotel, motel, resort, dormitory, inn, condominium, dude ranch, guest ranch, hostel, public lodging house, time share, bed and breakfast facility, or nightly rental. "Lodging facility" also includes any campground, recreational vehicle or trailer park, or similar facility.

H. "Manufacturer" means a person licensed by the Department to convert or compound marijuana into marijuana products, marijuana concentrates, or marijuana extracts and package, repack, label, or relabel marijuana products.

I. "Marijuana" means all plant material from the genus *Cannabis* containing tetrahydrocannabinol (THC) or seeds of the genus capable of germination. The term does not include hemp, including any part of that plant, including the seeds and all derivatives, extracts, cannabinoids, isomers, acids, salts, and salts of isomers, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than three-tenths of one percent on a dry weight basis, or commodities or products manufactured with hemp, or any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink, or other products.

J. "Marijuana transporter" means a person that is licensed to transport marijuana and marijuana products from one marijuana business to another marijuana business, or to and from a testing laboratory, and to temporarily store the transported retail marijuana and retail marijuana products at its licensed premises (facility), but is not authorized to sell marijuana or marijuana products to consumers under any circumstances.

K. "Medical marijuana dispensary" means the location from which a registered cardholder (as defined in Montana Code Section 16-12-102) may obtain marijuana or marijuana products.

L. "Testing laboratory" means a marijuana testing laboratory which provides testing of representative samples of marijuana and marijuana products and provides information about the

chemical composition and potency of a sample, as well as the presence of molds, pesticides or other contaminants.

M. "Wholesale merchant" means any person or entity engaged in the business of selling inventory to retailers or otherwise selling for the purpose of resale by another person or entity. (Ord. 273 §1, 2023; Ord. 266 §1 (Exh. A) (part), 2018; Ord. 220 §1, 2006)

5.04.020 Business license required.

A. Business License: No person, corporation or other entity shall conduct, transact or engage in business of any kind within the town before first submitting an application, appropriate fee, zoning permit-including a parking plan if required, fire and health inspection documentation if required, and obtaining approval for a business license.

i) Nightly rentals: Each Nightly Rental shall obtain a business license, regardless of its location or ownership.

ii) Multiple family residential units: If a multi family residential building is located on a lot with another multi family residential building and under the same ownership, the units may have a single business license.

iii) Single family residential rentals shall each obtain a business license, regardless of location or ownership.

In no event shall a nightly rental share a business license with a residential rental or multi family residential rental. (Ord. 266 §1 (Exh. A) (part), 2018; Ord. 220 §2, 2006).

C. Failure to obtain a business license prior to operating a business within the corporate limits of the town constitutes a violation of this chapter.

5.04.030 Application procedure.

A. Every person, corporation, or other entity applying for a business license under this chapter is subject to regulation, inspection, control, and supervision under the general police power of the town.

B. Upon receipt of a completed application which includes the business license fee, zoning permit if applicable, and applicable fire code and health department approvals for a new business license, the town clerk shall refer the application to appropriate employees of the town for the purpose of any investigation and inspection of the proposed business. Business license applications must contain all information prescribed or required by the town and must include a site plan delineating parking for the business and/or certification of parking in-lieu payment. Business license applications must be signed by both the business owner and, if different, the owner of the real property on which the business will operate. The town shall review the application and issue a business license if all requirements of this chapter have been met.

C. If one party seeks to transfer a business license to another party and the exact nature and location of the business remain the same, then the town, upon payment of the required fee and an internal review of a current zoning permit, shall transfer the business license. However, if the party seeking to transfer a business license to another party is delinquent on the obligation to report or pay resort tax under Chapter [3.12](#) for any business owned by the transferring party, the town shall not transfer the business license until all delinquent resort tax, interest, and applicable penalties are paid in full or payment arrangements have been made with the town.

D. A business for contracted services that does not maintain an office or permanent residence in West Yellowstone, and whose business is not required to provide parking spaces, and is not required to collect resort tax, may obtain a business license that is reviewed and approved by the town without further review. Except as modified in this subsection, this business license is subject to all other provisions in this chapter concerning a standard business license.

5.04.040 License issued on annual basis.

The town issues business licenses on an annual basis. The license period is effective from June 1st to May 31st of the following year. Businesses may renew or purchase a business license from the town after March 1st for the following license year. If an existing business license is renewed after June 30th, a late fee will be applied. A new license may be purchased at any time, but all licenses expire May 31st. The town does not prorate business license fees. (Ord. 266 §1 (Exh. A)(part), 2018; Ord. 220 §4, 2006)

5.04.050 Fee schedule.

The town council shall by resolution set the fee schedule for business licenses, transfers of business licenses, and related fees. (Ord. 266 §1 (Exh. A)(part), 2018; Ord. 220 §5, 2006)

5.04.060 Resort tax bonds.

A. If an applicant for a business license intends to sell any goods or provide services that are subject to the town's resort tax pursuant to Chapter [3.12](#), then a resort tax bond in an amount set by resolution must accompany the business license application. The resort tax bond shall be executed by a surety company licensed to do business in Montana. In lieu of a surety bond, the applicant may submit a cash bond of equal value.

B. The bond must be approved by the town and must be conditioned upon the applicant's collection and remittance of resort tax in accordance with all requirements of Chapter [3.12](#). The resort tax bond must remain in full force and effect until four months after the end of the first full business license year.

C. When an existing business that is subject to resort tax collection pursuant to Chapter [3.12](#) changes ownership, the new owner must provide a resort tax bond to the town in the same manner set forth above.

D. If a business fails to collect, report, and remit the resort tax or otherwise violates the provisions of Chapter [3.12](#), the town shall have a right of action on the bond for recovery of any unpaid resort tax, as well as interest, civil penalties and attorney's fees allowed by ordinance or state law. The town may require a business to post a new or additional resort tax bond if the business fails to timely remit resort tax payments for more than two consecutive months or for any three months in a twelve-month period. The town may not renew a business license that has unpaid resort tax outstanding at the time a business license must be renewed.

E. After a business has collected and remitted the resort tax in accordance with all provisions of Chapter [3.12](#) for the first licensing period of business operation, the town shall then return the resort tax bond to the business four months after the expiration of the original business license. Failure to remit any resort tax during the term of the initial issuance of a town business license shall constitute grounds for the town to retain the bond. (Ord. 266 §1 (Exh. A)(part), 2018: Ord. 220 §6, 2006)

5.04.065 Special Event Business License.

A. Notwithstanding the other provisions of this chapter, any person engaged in the business of conducting a Special Event, which may include an exposition, exhibit or sale of any merchandise or product, including artifacts and art objects, at an outdoor exposition or sale, or at an indoor exposition or bazaar, where two or more persons are gathered together for such purpose shall pay a business license fee as set by resolution.

B. The applicant shall:

1. Submit an application at least thirty calendar days prior to the event. Application forms shall be obtained from the Town. Special Event licenses shall be issued by the town after consultation with the police department, the fire department, the public services department, finance department and the town manager. If the submittal is received by town at least thirty calendar days in advance of the event, the application may be circulated through intradepartmental mail. Late submittals may not be approved by the town. It is unlawful to conduct a Special Event regulated by this chapter without a license.

2. Post a resort tax bond in the amount set by resolution. The resort tax bond shall be executed by a surety company licensed to do business in Montana. In lieu of a surety bond, the applicant may submit a cash bond of equal value. If an applicant fails to collect, report, and remit the resort tax within 120 days of the end of the Special Event, the town shall have a right of action on the bond for recovery of any unpaid resort tax, as well as interest, civil penalties and attorney's fees allowed by ordinance or state law. After provisions of Chapter [3.12](#) have been met, the town will return the resort tax bond to the applicant within ninety calendar days.

3. Notify each participant in writing, prior to accepting any application or approving participation in the exposition, bazaar, exhibit or sale, that the participant is responsible for submitting all documents and forms as required by the town and all required resort tax on or

before the twentieth day of the month following the event to receive the resort tax administrative fee and no later than the last day of the month to avoid a penalty.

4. Acquire and keep on file the names, addresses and phone numbers of all participants and, further, collect and remit, from each vendor, the completed resort tax form and payment due.

C. The provisions of this section do not require additional licenses for merchants or vendors participating in such events when all of the participants are regularly licensed under other provisions of this chapter. Events sponsored by nonprofit organizations where the merchandise is non-business-related personal property sold by individuals not regularly engaged on a full-time or part-time basis in the business of selling, manufacturing or distributing such merchandise are not required to obtain a business license.

D. The town will not review or issue a Special Event permit if the applicant has any outstanding debt due to the Town, until all such debt is fully satisfied.

E. Applicants may file an appeal with the town council for a reduction or waiver of license fees and bond requirements. (Ord. 266 §1 (Exh. A)(part), 2018: Ord. 239 §1, 2008)

5.04.070 Interstate commerce.

Nothing contained in this chapter is intended to operate so as to interfere with the power of the Congress of the United States to regulate commerce between states. (Ord. 266 §1 (Exh. A)(part), 2018: Ord. 220 §7, 2006)

5.04.080 Unlawful activities not licensed.

This chapter may not be construed to allow licensing of any business or activity that is prohibited by any law of the United States, the state of Montana or the town. It is unlawful for any person or entity to sell merchandise, goods, or services of any kind, or solicit orders for merchandise, goods, or services, on any street, alley, sidewalk or other public place in the town, except as permitted in Section [5.20.030](#).

As authorized by Title [16](#), Chapter [12](#), MCA, and based on the affirmative vote of the electors of the town of West Yellowstone, the following marijuana businesses are permanently prohibited from opening or operating within the boundaries of the town:

- A. Cultivator;
- B. Manufacturer;
- C. Medical marijuana dispensary;
- D. Adult use dispensary;
- E. Testing laboratory; and
- F. Marijuana transporter facility.

Violation of this section is a municipal infraction and shall be punished as set out in Chapters [1.08](#) and [1.12](#). (Ord. 273 §2, 2023; Ord. 266 §1 (Exh. A)(part), 2018; Ord. 220 §8, 2006)

5.04.090 Business license revocation.

The town may revoke a business license under the following circumstances:

- A. Failure to report or remit resort tax by payment deadlines in Section [3.12.060](#);
- B. The violation of any provision of Chapter [3.12](#) concerning resort tax;
- C. The violation of any provision of this chapter concerning business licenses;
- D. Misrepresentation of ownership, nature of business, or any material fact on a business license application;
- E. Failure to pay any other outstanding debt owed to the town by the business license holder;
- F. The violation by the business of any other provision of the West Yellowstone Municipal Code, including but not limited to the applicable provisions of the license, the parking plan or zoning permit.. (Ord. 266 §1 (Exh. A)(part), 2018; Ord. 233 §2, 2007; Ord. 220 §9, 2006)

5.04.100 License revocation procedure.

A. A business license may be revoked for any violation of this chapter, including those specified in Section [5.04.090](#). A business license may be revoked by an administrative order by the town manager.

B. If the town manager determines that the town has valid grounds to revoke a business license, the town manager must notify the business in writing of these grounds at least ten business days before issuing an administrative order revoking a business license. The notice must also inform the business that it has ten business days from the date of the notice to provide the town with any documents or information contesting the stated grounds for revocation. After reviewing all pertinent documents and information, including any submittal by the business contesting the stated grounds, the town manager may issue an administrative order revoking a business license if the business has committed any violation of this chapter, including those specified in Section [5.04.090](#).

C. A business may appeal an administrative order by the town manager revoking its business license by filing a written notice of appeal with the town within ten business days after the date of the administrative order. Failure to file the appeal within 10 days shall be a bar to any further action by the applicant. The administrative order of revocation is stayed during any appeal to the Town Council. The Town Council will conduct an investigation of the circumstances resulting in the administrative order to revoke the business license within fifteen business days. As part of the investigation, the business may present any relevant evidence contesting the administrative order

of revocation by the town manager. After hearing and reviewing all relevant evidence, the Town Council may uphold, overturn, or modify the administrative order of revocation by the town manager.

. All revoked business licenses will be subjected to a reinstatement fee. (

5.04.110 Violations--Penalties.

Violation of this chapter is a municipal infraction subject to the provisions of Sections [7-1-4150](#) through [7-1-4152](#), MCA. In addition to any civil penalty ordered by virtue of a municipal infraction, the town judge may enter a civil judgment against the defendant for the amount of the license found due and unpaid and may issue an order revoking a defendant's business license. Each day that a violation occurs or is permitted to exist constitutes a separate infraction. (Ord. 266 §1 (Exh. A)(part), 2018; Ord. 220 §11, 2006)