

**FINAL REPORT
OF THE MILES CITY ZONING COMMISSION
ON DRAFT TEXT AMENDMENTS TO ZONING CODE:
LEGISLATIVE UPDATES AND OTHER
MISCELLANEOUS UPDATES
AUGUST 13, 2026**

A) Introduction:

This report is submitted to the City of Miles City Zoning Commission along with a draft ordinance (**Ordinance No. 1409**) for text amendments to the City zoning code. The proposed text amendments were initiated by the Zoning Administrator and Contract City Planner to modify minimum lot sizes and rear yard setbacks in some residential districts for consistency, and make other changes to better reflect state law, legislative changes since 2017, and the Miles City Growth Policy 2025. The existing zoning code is currently out of compliance with several sections of state law due to legislative updates since the last comprehensive zoning regulations updates were adopted in 2016.

The Zoning Commission held a public hearing on the draft updates on July 23rd and continued the hearing to August 13th, when the Zoning Commission recommended approval of the text amendments to City Council and adopted the findings in this report.

B) Municipal Zoning Procedure:

According to 76-2-307, MCA, the City Council appoints the Zoning Commission to recommend the boundaries of the zoning districts and appropriate zoning regulations. The Zoning Commission shall make a preliminary report and hold public hearings on the zoning districts and regulations before submitting its final report, and the City Council shall not hold its public hearings or take action until it has received the final report of the Zoning Commission. The purpose of the July 23rd public hearing and continued August 13th public hearing was to meet the requirements of 76-2-307, MCA for the Zoning Commission to hold its public hearing and make a final report on the draft zoning regulations.

At the August public hearing, the Zoning Commission reviewed the draft updates and a preliminary report. The Zoning Commission made no changes to the reviewer-recommended findings or draft ordinance; however, the ordinance has been modified administratively for the City Council review (dates, ordinance number, etc.) and to reflect the Zoning Commission recommendations on the other ordinance currently in progress (the ‘shipping containers ordinance’). A public hearing of the City Council will be scheduled for the Council to review the draft ordinance and final report of the Zoning Commission.

Per 76-2-303(2), MCA, a regulation, restriction, or boundary may not become effective until after a public hearing in relation to the regulation, restriction, or boundary at which parties in interest and citizens have an opportunity to be heard has been held. Per the zoning code, at least 15 days' notice of the time and place of the hearing must be published in an official paper or a paper of general circulation in the municipality. Per state law, notices must be published twice, with the first notice published at least 15 business days before the hearing or action to be taken. The notices of the first

Zoning Commission public hearing were published in the Miles City Star on June 27 and July 3, and of the continued public hearing on August 1. Additionally, the City Council's September 8 public hearing is being noticed in the Miles City Star on August 15 and 22 in accordance with state law and the zoning code.

C) Report/Findings:

This is the final report of the Zoning Commission as required by 76-2-307, MCA. Section D) of this report gives an overview of the draft zoning updates. Section E) provides the purpose and process for zone changes and zoning amendments. Section F) of the report outlines applicable zoning statutes and preliminary findings regarding the draft regulations' compliance with the zoning code's criteria for zone changes and zoning amendments. Section G) provides the reviewer recommendations to the Zoning Commission.

D) Overview of Draft Regulations:

The draft ordinance is intended to revise various sections of Chapter 24 of the current City Codes ("Zoning"). The updates in the draft ordinance are relatively self-explanatory. The following is a general overview of the text amendments being proposed:

- There are minor edits and changes in language and citations throughout the updates.
- Sec. 24-14, "Zoning upon annexation" is amended to reflect the option for the City to adopt interim zoning during annexations, which is allowed by state law as an urgency measure that can simplify the complicated annexation and zoning procedures relative to adopting long-term zoning upon annexation. The City has several annexations on the horizon, and clarifying these options is best practice.
- The intents of the residential districts are updated to reflect other proposed amendments.
- The use tables in most residential districts are updated to reflect legislative changes, primarily those for accessory dwellings, two-family dwellings (duplex housing), and number of children in day care centers vs day cares reflect current state laws.
- The minimum lot sizes and rear yard setbacks in the specification tables in the Residential B (RB), Residential C (RC), and Mobile Home Residential (MH-A) districts are modified to become more consistent with the RA District specifications.
- Maximum building heights for accessory buildings in the residential districts within the tables of specification standards are modified to be consistent with the requirement of state law to allow accessory dwelling units to have the same standards as those for primary dwellings.
- "Stables" and "Grazing" are to be removed from the permitted uses in the SR District to reflect the restrictions on the animal regulations in Chapter 4 of City code.
- The stated intent of Sec. 24-20. Mobile Home—RV Park district (MH-RV) eliminates reference to the Montana Subdivision and Platting act and subdivision regulations because typical mobile home and RV parks are no longer subject to subdivision review, and are now subject to the buildings for lease or rent requirements of MCA Title 76, Chapter 8, Part 1, and exempt from review by the zoning code.
- The maximum building heights in the GC District are modified to eliminate specific height limits for accessory buildings and just apply the current 40' height limit, because it is often the case for commercial uses in the district to have more than one building, and imposing a maximum building height for different buildings is inconsequential and only adds confusion.

- In Sec. 24-23, Highway commercial district (HWC), the use table adds “Multifamily dwellings and mixed-use developments...” to address recent legislative changes. See 76-2-304(4), MCA.
- The maximum building heights in the HWC District, HCLI District, and HI District would increase from 45 feet to 60 feet to address recent legislative changes. See 76-2-304(4), MCA *(to be Effective October 1, 2026)*.
- In Sec. 24-26, Open space district (OS), the permitted use “Non-motorized trails” would add “and trails for small-scale electric vehicles”.
- Sec. 24-4, Landscaping requirements, would modify “Day care centers in excess of 12 children” 15 children to reflect legislative changes.
- Sec. 24-50, Off-street parking and loading would modify off-street parking requirements to reflect parking reform legislation since 2027. See 76-2-304(4), MCA *(Both the existing statutes and those to become Effective October 1, 2026 require changes)*. Note: the reviewer has investigated the parking requirements for restaurants, taverns, and bars, and found that the standards are relatively modern for a zoning code that requires minimum parking requirements for these uses. The standards would primarily apply to the HWC District where on-street parking is largely unavailable. The CBD provides for a 100% reduction in the number of parking spaces, meaning downtown restaurants, taverns, and bars can rely on street parking, and the GC District provides for a 40% reduction in the number of parking spaces, which reduces parking requirements for the uses in other areas. Therefore, the reviewer has found no specific rationale to change parking requirements for new restaurants, taverns, and bars, and is not recommending changes to the requirements.
- Sec. 24-59 (Administration of zoning in cases of multiple lots) is language that would be relocated from Sec. 24-72 because it would better fall under “Standards applicable to all districts when required” than “Standards for specific land uses”.
- Sec. 24-63, Accessory buildings removes special building height limitations for accessory dwellings to comply with 76-2-345, MCA, which sets multiple limitations and requirements for accessory dwelling units in municipal zoning codes.
- Sec. 24-65, Accessory dwelling units would be modified extensively to comply with 76-2-345, MCA, which sets multiple limitations and requirements for accessory dwelling units in municipal zoning codes.
- Sec. 24-67, Multiple-family dwellings, two-family dwellings, townhouses and townhomes would be modified to eliminate reference and applicability to two-family dwellings, townhouses and townhomes. See 76-2-304(4), MCA *(Both the existing statutes and those to become Effective October 1, 2026 require changes)*. The reviewer is also recommending subsection (c), Design features to reduce the number of specific design features a developer must provide for multi-family dwellings from three to two, simply to make the City’s regulations that often apply to affordable housing projects less restrictive, consistent with the Montana Legislature’s clear intents.
- In Sec. 24-71, Medical marijuana, language is proposed to clarify that the required 1,000 feet distances between medical marijuana providers and public or private schools, parks, playgrounds and religious institutions is to be a horizontal distance from the tract of record containing the school, park, playground, or religious institution to the tract of record containing the proposed medical marijuana provider.

- Language is proposed to be added to Sec. 24-86, Interpretation of use, to state that in interpreting a use and in determining whether a use violates the regulations, any ambiguity or uncertainty in the zoning regulations as to whether the use is in violation must be interpreted in favor of the use in question. This is to reflect 2025 legislative updates to 76-2-308, MCA.
- Sec. 24-88, Application of zoning regulations to state and local government agencies is proposed to be revised to reflect 2025 legislative updates to 76-2-402, MCA.
- Sec. 24-89, Nonconforming uses is proposed to be revised to reflect 2025 legislative updates to 76-2-316, MCA. In addition, a “Natural expansion clause” is proposed to be added to allow nonconforming uses typical natural expansions, such as business growth. The pre-2016 zoning code had a similar provision that was eliminated, and the proposed language clarifies the clause.
- Sec. 24-96, Zone changes and zoning amendments is proposed to be revised to reflect 2025 legislative updates to 76-2-303, MCA to provide for zoning map amendments to be adopted by resolution and become effective immediately. The same bill repealed the protest provisions of 76-2-305, MCA, which is reflected by the proposed elimination of the language currently in subsection (12).
- Sec. 24-97, Public hearing notices is proposed to be revised to reflect 2025 legislation that changed notice requirements.
- Sec. 24-98, Violations/enforcement is proposed to be revised to reflect 2025 legislation to address ambiguity in uses.
- Sec. 24-201, Definitions includes several amendments to reflect the other proposed amendments and legislative changes to state law.

E) Zone changes and zoning amendments – Purpose and Process:

Administration of zone changes and zoning amendments is outlined in Sec. 24-96 of the Zoning Code. The following are the ‘purpose’ and ‘amendment process’ for review of zoning amendments. Other sections applicable to the review, with recommended findings based on the zone change criteria, are provided in the next section.

- (a) *Purpose.* Any person may petition for the amendment of the zoning district map and/or these regulations. The amendment procedure shall be as provided here and in MCA 76-2-303. Amendments may also be initiated by the zoning commission or administrator, in which cases steps subsections (b)(1) through (b)(3) below, will not be required.
- (b) *Amendment process.*
 - (1) The applicant shall submit a properly completed application form, the required supporting materials, including a narrative evaluating the amendment request under the amendment criteria in (c) below, and the required application fee at city hall.
 - (2) The administrator shall determine whether the application is complete and sufficient. When an application is determined incomplete or insufficient, the administrator shall provide written notice to the applicant indicating what information must be submitted for the review to proceed.

- (3) After the application is determined to be complete and sufficient, the administrator shall schedule a public hearing on the application for a zoning amendment on the agenda of the next zoning commission meeting for which the notice requirements can be met (section 24-97), and at which time allows for its proper consideration.
- (4) The administrator shall give notice of the public hearing in accordance with section 24-97.
- (5) The administrator shall prepare, or contract for the preparation of, a report that describes the proposed amendment and how it complies, or fails to comply, with the amendment criteria. The report shall include a recommendation for approval, approval with modifications or denial.
- (6) The zoning commission shall conduct at least one public hearing on the proposed amendment. At the hearing, the zoning commission shall make a report regarding the proposed zone change and consider whether the proposed amendment meets the amendment criteria. The zoning commission shall review the particular facts and circumstances of the proposed amendment and develop findings and conclusions that support its recommendation that the city council approve, approve with modifications, or disapprove it accordingly.
- (7) The zoning commission's action on a proposed amendment may be tabled, but for no more than 35 days.
- (8) The administrator shall convey the zoning commission's recommendation and all public comments to the city council and, unless the application is withdrawn, place a hearing on the agenda of the next city council meeting for which the notice requirements can be met (Section 24-97), and at which time allows for its proper consideration. The city council shall not hold its public hearing or take action until it has received the report of the zoning commission.
- (9) The administrator shall give notice of the city council's public hearing in accordance with section 24-97.
- (10) The city council shall conduct a public hearing on the proposed amendment. At the hearing, the city council shall consider the recommendation of the zoning commission and all testimony received, then approve, reject, or modify and approve the amendment. Action on the proposed amendment may be tabled, but for no more than 35 days.
- (11) If approved or approved with modifications, the city council shall pass an ordinance effectuating the amendment to the zoning map or regulations, as applicable.
- (12) An amendment to the zoning may not become effective except upon favorable vote of two-thirds of the present and voting members of the city council if a protest against a change is signed by the owners of 25 percent or more of:
 - a. The area of the lots included in the proposed change; or

- b. Those lots or units, as defined in MCA 70-23-102, 150 feet from a lot included in a proposed change. For purposes of this protest provision, each unit owner is entitled to have the percentage of the unit owner's undivided interest in the common elements of the condominium, as expressed in the declaration, included in the calculation of the protest. If the property, as defined in MCA 70-23-102, spans more than one lot, the percentage of the unit owner's undivided interest in the common elements must be multiplied by the total number of lots upon which the property is located. The percentage of the unit owner's undivided interest must be certified as correct by the unit owner seeking to protest or by the presiding officer of the association of unit owners.
- (13) At the conclusion of the amendment process, the administrator shall notify the applicant of the city council decision within ten days.

F) Amendment Criteria and Recommended Findings

Sec. 21-96(c) of the Zoning Code provides the “Amendment criteria” for zone changes and zoning amendments. The evaluation criteria are listed below, followed by the reviewer’s and Zoning Commission’s recommended findings in *italics*.

(c) Amendment criteria.

(1) Zoning amendments shall be made:

- a. In accordance with the growth policy;

Finding 1-a:

First, it should be understood that the majority of proposed text amendments are intended to address legislative changes that have occurred since the last comprehensive zoning code updates in 2016. Several changes to applicable state laws have resulted from 2021 – 2025 legislation, many of which require the zoning code to be updated. Other minor changes are proposed by staff to simplify administration and to reflect challenges encountered during administration.

The reviewer has evaluated the 2025 Miles City Growth Policy for applicable City policies relevant to the proposed text amendments, and the following are recommended findings regarding whether the amendments would be in accordance with the 2025 Growth Policy:

- *Land Use Objective LU.1.a: “Update land use regulations to provide greater clarity and flexibility.” This objective is to promote Land Use Goal LU.1: “Provide a predictable development environment”. The proposed amendments are intended to comply with state law and improve City administration of the zoning code. It is intended that the regulations will become clearer for all involved, and more predictable for citizens and project proponents, thereby promoting Land Use Objective LU.1.a and Land Use Goal LU.1.*

- *Land Use Objective LU.3.b: “Focus on public outreach and participation in land use matters related to zoning code updates.” This objective is to promote Land Use Goal LU.3: “Balance property rights with the common interests of the community.”. The Zoning Commission will have held two meetings on the proposed updates, with public comment accepted through the process. The Zoning Commission and Council will accept and consider public comments through the review process. The proposed regulations have been drafted primarily to comply with state law and improve City administration of the zoning code. By the Zoning Commission and Council encouraging and considering public participation in the update process, the updates will accord to Land Use Objective LU.3.b and Land Use Goal LU.3.*
- *Land Use Objective LU.4.b: “Develop and implement zoning that guides future development but also protects existing development from unwanted impacts.” The proposed regulations have been drafted primarily to comply with state law and improve City administration of the zoning code. Any impacts introduced by the proposed text amendments would likely result from the needs for the regulations to comply with state law and legislative changes that limit certain restrictions a City can impose through zoning.*
- *Land Use Objective LU.7.c: “City Zoning Code will comply with state statute and best practices.” This objective is to promote Land Use Goal LU.7: “Ensure that the City zoning code is properly administered and enforced, and provides for safe, efficient development that is in the best interests of the City.”. The zoning updates will promote this goal and objective by bringing the regulations into compliance with state statute and best practices – meeting the objective is precisely the intent behind the text amendments.*
- *Economic Objective E.1.e: “Identify barriers in the zoning regulations, and other City codes, and amend them as necessary.” This objective is to promote Economic Goal E.1: “Foster sustained economic growth in Miles City.” The proposed regulations have been drafted primarily to comply with state law and improve City administration of the zoning code. Some of the updates will remove barriers that a City cannot impose per state law. The intent of the updates is not based on removing barriers, but by bringing the regulations into compliance with state laws and fit better with the City’s administration of the zoning regulations will eliminate challenges staff often faces during administration.*
- *Housing Objective H.4.a: “Update zoning regulations to allow for appropriate density and housing diversity in residential, commercial, and mixed-use districts.” This objective is to promote Housing Goal H.4: “Encourage a mix of housing types.” The zoning updates will promote this goal and objective by bringing the regulations into compliance with state statute and modifications*

in recent years intended by the Legislature to allow for higher density, mixed uses, and a broader range of housing types. Examples include the statutory limitations a City can place on accessory dwelling units and where duplexes and multi-family housing may be placed.

- *Action 16: “Update the zoning regulations to clarify procedures, meet the community's land use and development needs, and provide flexibility while protecting existing residents.” This action is to promote Land Use Objective LU.1.a/Goal LU.1, Economic Goal E.1 (Foster sustained economic growth in Miles City), and others. The zoning updates will carry out Action 16 and promote the associated goals and objectives by bringing the regulations into compliance with state statutes and best practices.*
- *Section 7, Land Use (page 62) states the following: “The Zoning Ordinance should be regularly reviewed by staff and the City’s zoning commission and amended as necessary.” Updating the zoning regulations to bring the regulations into compliance with state statutes and better fit with the City’s administration follows the policy to regularly review and update the zoning code.*
- *Section 7, Land Use (page 65) states the following: “A key tool for Miles City to be resilient to these expected projections will be to guide future land uses through the Miles City zoning codes. The zoning text must be revised to provide clear guidelines so that the zoning map and regulations can be a more effective tool to implement this growth policy. The zoning map must be revised to reflect current conditions and expected future trends. The zoning map will be revised as proponents of future development proposals, and land uses to approach the city with zone change requests, and the city will work on revising the zoning map to guide the planning area with land use designations in appropriate geographic, physical, and social settings.” Updating the zoning regulations to bring the regulations into compliance with state statutes and better fit with the City’s administration follows the above-stated policy.*

Approval of the proposed text amendments would support the above-listed goals, objectives, actions, and stated policies, and not be contrary to the Growth Policy. As such, the text amendments are in accordance with the 2025 Miles City Growth Policy.

b. To secure safety from fire and other dangers;

Finding 1-b: *The proposed amendments to the zoning regulations have been drafted primarily to comply with state law and improve City administration of the zoning code. The amendments are not expected to have a noticeable effect on safety from fire or other dangers. Any impacts related to safety from fire or other dangers introduced by the proposed text amendments would likely result from the need for*

the regulations to comply with state law and legislative changes that limit certain restrictions a city can impose through zoning.

c. To promote public health, safety, and general welfare; and

Finding 1-c: *The proposed amendments to the zoning regulations have been drafted primarily to comply with state law and improve City administration of the zoning code. The amendments are expected to have a positive effect on public health, safety, and general welfare by improving City administration of the zoning code. Any impacts related to public health, safety, and general welfare introduced by the proposed text amendments would likely result from the need for the regulations to comply with state law and legislative changes that limit certain restrictions a City can impose through zoning.*

d. To facilitate the adequate provision of transportation, water, sewerage, schools, parks and other public requirements.

Finding 1-d: *The proposed amendments to the zoning regulations have been drafted primarily to comply with state law and improve City administration of the zoning code. The amendments are not expected to have a noticeable effect on the adequate provision of transportation, water, sewerage, schools, parks and other public requirements. Any impacts related to the adequate provision of transportation, water, sewerage, schools, parks and other public requirements introduced by the proposed text amendments would likely result from the need for the regulations to comply with state law and legislative changes that limit certain restrictions a city can impose through zoning.*

(2) In reviewing and making recommendations or decisions on zoning amendments, the administrator, zoning commission, and city council shall also consider:

a. Reasonable provision of adequate light and air;

Finding 2-a: *The proposed amendments to the zoning regulations have been drafted primarily to comply with state law and improve City administration of the zoning code. The amendments are not expected to have a noticeable effect on the provision of adequate light and air. Any impacts related to the provision of light and air introduced by the proposed text amendments would likely result from the need for the regulations to comply with state law and legislative changes that limit certain restrictions a city can impose through zoning, such as the increased building heights in what state law refers to as heavy commercial and industrial zones.*

b. The effect on motorized and non-motorized transportation systems;

Finding 2-b: *The proposed amendments to the zoning regulations have been drafted primarily to comply with state law and improve City administration of the zoning code. The amendments are not expected to have a noticeable effect on*

motorized and non-motorized transportation systems. Any impacts related to the motorized and non-motorized transportation systems introduced by the proposed text amendments would likely result from the need for the regulations to comply with state law and legislative changes that limit certain restrictions a city can impose through zoning, such as the limitations on the number of off-street parking spaces a city can require for certain land uses and changes of uses of existing buildings.

c. The promotion of compatible urban growth;

Finding 2-c: *The proposed amendments to the zoning regulations have been drafted primarily to comply with state law and improve City administration of the zoning code. The amendments are not expected to have a noticeable effect on compatible urban growth, but are expected to improve administration.*

d. The character of the district, and its peculiar suitability for particular uses; and

Finding 2-d: *The proposed amendments to the zoning regulations have been drafted primarily to comply with state law and improve City administration of the zoning code. The amendments are not expected to have a noticeable effect on the characters of the districts or their suitability for uses. Any real changes to the characters of the districts introduced by the proposed text amendments would likely result from the need for the regulations to comply with state law and legislative changes that limit certain restrictions a city can impose through zoning.*

e. Conserving the value of buildings and encouraging the most appropriate use of the land throughout the jurisdictional area.

Finding 2-e: *The proposed amendments to the zoning regulations have been drafted primarily to comply with state law and improve City administration of the zoning code. The amendments are not expected to have a noticeable effect on the value of buildings, but any impacts on property values that are introduced by the proposed text amendments would likely result from the need for the regulations to comply with state law and legislative changes that limit certain restrictions a city can impose through zoning. The zoning code will continue to encourage the most appropriate use of the land throughout the jurisdictional area.*

f. Whether the proposal might be considered illegal spot zoning. Factors to be considered include whether the proposed land use is significantly different from the prevailing use in the area; whether the area of the proposed zone change is relatively small not only in terms of acreage, but from the perspective of the number of separate landowners who would benefit from the proposed change; and whether the change would amount to special legislation designed to benefit only one or a few landowners at the expense of the surrounding landowners or general public. In order for spot zoning to be considered illegal, all three of the factors must be present.

Finding 2-f: *The proposed amendments are text amendments only, and not a zone change that could be determined illegal spot zoning. The amendments generally apply on a City-wide basis and are not directed at changing anything on any particular property or group of properties. The proposed amendments have been drafted primarily to comply with state law and improve City administration of the zoning code. Because these regulations would apply on a City-wide basis, and do not benefit one or a few property owners, none of the spot zoning factors are present.*

(3) Other criteria include whether the amendment:

a. Corrects an inconsistency in the zoning; and

Finding 3-a: *The proposed amendments have been drafted primarily to comply with state law and improve City administration of the zoning code. Therefore, to some extent, the amendments correct inconsistencies between the regulations and state laws. The updates would also clarify certain ambiguities of the zoning regulations and eliminate current grey areas.*

b. Addresses changing conditions or furthers a specific public challenge such as the need for affordable housing, economic development, mixed use development or sustainable environmental features.

Finding 3-b: *The proposed amendments have been drafted primarily to comply with state law and improve City administration of the zoning code. Many of the legislative changes being addressed are associated with the legislative intent to improve housing conditions, and encourage economic development and mixed use development. Therefore, the amendments address changing conditions (primarily changes to state law) and specific public challenges (e.g. staff challenges with administration and removing ambiguities).*

Reviewer's and Zoning Commission's conclusion on the above findings:

Based on the above findings, the proposed text amendments comply with the applicable criteria, and are therefore appropriate.

G) Zoning Commission Recommendation:

The Zoning Commission recommends the City Council adopt this report and findings and further recommend the City Council approve the text amendments of the proposed ordinance. Upon passage of the ordinance by City Council, the official Miles City zoning code will be amended with an effective date thirty (30) days after its final passage and approval.