

## 2005 DRAFTING REQUEST

### Bill

Received: 01/04/2005

Received By: rryan

Wanted: As time permits

Identical to LRB:

For: Jeffrey Wood (608) 266-1194

By/Representing: Tony Blodgett

This file may be shown to any legislator: NO

Drafter: rryan

May Contact:

Addl. Drafters:

Subject: Health - miscellaneous

Extra Copies: DAK

Submit via email: YES

Requester's email: Rep.WoodJ@legis.state.wi.us

Carbon copy (CC:) to:

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### Pre Topic:

No specific pre topic given

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### Topic:

Transferring a permit for a restaurant, hotel, bed and breakfast, rooming house or vending machine

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### Instructions:

See Attached

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### Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?				_____			S&L
/1	rryan 03/01/2005	kfollett 03/15/2005	pgreensl 03/16/2005	_____	lemery 03/16/2005	sbasford 10/03/2005	

FE Sent For:

<END>

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/?	rryan	1/15 3/15 JK JK	3/14 ps	3/16 setb			S&L

FE Sent For:

<END>

## Kennedy, Debora

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**From:** Blodgett, Tony  
**Sent:** Tuesday, January 04, 2005 2:03 PM  
**To:** Kennedy, Debora  
**Subject:** bill draft request

Hi,

I was told to send this bill draft request to you, but if you are not the proper drafting attorney please forward it to the proper individual. Let me know if you have any questions.

Thanks!

Tony Blodgett  
Legislative Aide  
Office of Rep. Jeff Wood  
(608) 266-1194: Office  
(608) 658-7720: Cell  
Tony.Blodgett@legis.state.wi.us



eliminate  
pre-inspection fee 0...



Food-February 2  
19811.doc

7 North State Capitol  
Post Office Box 8953  
Madison, WI 53708-8953  
(608) 266-1194  
Fax: (608) 282-3667

# JEFF WOOD

State Representative • 67th Assembly District

District: 1501 Miles Street  
Chippewa Falls, WI 54729  
(715) 726-9226  
Rep. Woodj@legis.state.wi.us  
Toll-Free: (888) 534-0067

## Bill Request

### **Subject Area:** Health (Restaurant Inspections)

**Date:** 1-4-05

**Priority:**

**Contact:** Tony, 6-1194

**Problem:** Currently, under ch. 254 of the statutes, DHFS is required to inspect new restaurants and assess a \$350 pre-inspection fee. This is currently done regardless of if the owner is simply changing the classification of his/her business (ex. from sole proprietor to LLC). It creates a redundancy and unnecessary cost to the business when they are up to date on inspections.

Info from Greg Pallaske (from DHFS 6-8351) regarding DHFS's current practices is attached.

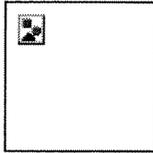
**Proposed Solution:** Eliminate the pre-inspection requirement/fee for those establishments that change business classification but retain the same function, location, and ownership.

**Special Requests:**

*Call to Tony*

*OK to create provision allowing transfer  
of permit to reorganized business instead  
of creating exception from preinspection*

*OK to apply to all establishments licensed  
under 254.64*



DIVISION OF PUBLIC HEALTH

Tommy G. Thompson  
Governor

1 WEST WILSON STREET  
P O BOX 2659  
MADISON WI 53701-2659

Joe Leean  
Secretary

**State of Wisconsin**  
Department of Health and Family Services

(608) 266-1251  
FAX: (608) 267-2832  
www.dhfs.state.wi.us

**DATE:** April 6, 1979 – Revised February 2, 1981

**TO:** All Districts & Agent Health Departments  
Attn: Hotel & Restaurant Sanitarians

**FROM:** Roy K. Clary, R.S., Chief  
Hotel and Restaurant Section

**SUBJECT:** Licensing a Corporation

Each year we received numerous inquiries from field staff involving changes in corporations, such as a change in the registered agent, change in stockholders, change in corporate names or amendments to the articles of incorporation. I have briefly discussed some of these changes with Mr. Ward Johnson, Assistant Attorney General, and Mr. Grossman, Legal Council with the Corporation Division of the Secretary of State's Office. (See Below)

A corporation is almost a perpetual entity which can have numerous changes without actually affecting the corporate shell. The registered agent, officers of a corporation or stockholders can change or a corporation can file amendments to change the corporate name without affecting the corporate entity itself. A corporation normally phases out of existence by merging with another corporation or by dissolution or dissolving the corporation.

Because a corporation can make a number of changes without affecting the corporate structure, questions regarding whether a corporation is a new entity should be documented by information on all changes such as the address of the corporation, the name of the registered agent and any other changes. Ask for copies of correspondence on any name changes which has to be approved by the Secretary of State. Usually these are 1 page documents which state "change in name only". We then can better assess if there has been a corporate change and whether additional fees are needed.

If an individual(s) incorporates or a corporation listed as a licensee changes to an individual(s), this is a new licensee and a pre-inspection and permit fee is required.

In completing an application or pre-inspection of a corporation as operator, be sure the word "Inc." follows the corporate name as operator. The "name of business" should not include the word "Inc."

**INFORMATION AVAILABLE FROM  
SECRETARY OF STATE (608) 266-3590**

- \* CORPORATION NAME AS REGISTERED
- \* DATE OF INCORPORATION
- \* REGISTERED AGENT
- \* PRINCIPAL OFFICE ADDRESS
- \* REGISTERED AGENT ADDRESS
- \* NAME CHANGE AMENDMENTS



State of Wisconsin  
2005 - 2006 LEGISLATURE

LRB-1480/?

RLR: [initials]

In 3/1/05

Rmr2

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

Gen

- 1 AN ACT ...; relating to: transferring a permit to operate a hotel, restaurant, bed
- 2 and breakfast, rooming house, or vending machine.

*Analysis by the Legislative Reference Bureau*

X Under current law, a person must obtain a permit from the department of health and family services or a local health department (department) to operate a hotel, restaurant, bed and breakfast, rooming house, or vending machine (an establishment). The person must renew the permit annually and pay a fee for renewal. Before issuing a permit for a new establishment, the department conducts a pre-inspection of the establishment and charges the owner of the establishment a pre-inspection fee. A permit is not transferable. If ownership of an establishment changes, the establishment is subject to the pre-inspection and the new owner must pay the pre-inspection fee and obtain a new permit, except that if a permit holder transfers an establishment to a family member, the permit may also be transferred to the family member.

X This bill provides that if the holder of a permit to operate an establishment changes the organization of its business (for example, from a sole proprietorship to a corporation or a corporation to a partnership), the permit holder may transfer the permit to the new business as long as the establishment remains at the same location and at least one individual who had an ownership interest in the old business has an ownership interest in the new business.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           **SECTION 1.** 254.47 (2) of the statutes is amended to read:

2           254.47 (2) A separate permit is required for each campground, camping resort,  
3 recreational or educational camp and public swimming pool. No permit issued under  
4 this section is transferable from one premises to another or from one person, state  
5 or local government to another, except that the permit may be transferred from an  
6 individual to an immediate family member, as defined in s. 254.64 (4) (a) 2., if the  
7 individual is transferring operation of the campground, camping resort, recreational  
8 or educational camp or public swimming pool to the immediate family member.

9 History: 1993 a. 16 ss. 2399 to 2401i; 1993 a. 27 ss. 182, 477; 1993 a. 183, 490; 1993 a. 491 s. 280; 1997 a. 191, 237; 2001 a. 16.

9           **SECTION 2.** 254.64 (4) (a) of the statutes is repealed and recreated to read:

10           254.64 (4) (a) In this subsection:

11           1. “Business entity” has the meaning give in s. 179.70 (1).

12           2. “Immediate family member” means a spouse, grandparent, parent, sibling,  
13 child, stepchild, or grandchild or the spouse of a grandparent, parent, sibling, child,  
14 stepchild, or grandchild.

15           **SECTION 3.** 254.64 (4) (b) of the statutes is amended to read:

16           254.64 (4) (b) Except as provided in par. (d) or (e), no permit is transferable from  
17 one premises to another or from one person to another.

18 History: 1975 c. 413 ss. 13, 18; Stats. 1975 s. 50.51; 1983 a. 163, 203; 1987 a. 27, 81, 399; 1989 a. 31; 1993 a. 16 ss. 1491, 1492; 1993 a. 27 s. 67; Stats. 1993 s. 254.64; 1993 a. 183, 491; 1997 a. 191; 2001 a. 16.

18           **SECTION 4.** 254.64 (4) (e) of the statutes is created to read:

19           254.64 (4) (e) A sole proprietorship that reorganizes as a business entity or a  
20 business entity that reorganizes as either a sole proprietorship or a different type of

1 business entity may transfer a permit issued under this section for operation of an  
2 establishment to the newly formed business entity or sole proprietorship if the  
3 following conditions are satisfied:

4 1. The establishment remains at the location for which the permit was issued.

5 2. At least one individual who had an ownership interest in the sole  
6 proprietorship or business entity to which the permit was issued has an ownership  
7 interest in the newly formed sole proprietorship or business entity.

8 **SECTION 5.** 254.65 (1) of the statutes is amended to read:

9 254.65 (1) The department or a local health department granted agent status  
10 under s. 254.69 (2) may not grant a permit to a person intending to operate a new  
11 hotel, tourist rooming house, bed and breakfast establishment, restaurant or  
12 vending machine commissary or to a person intending to be the new operator of an  
13 existing hotel, tourist rooming house, bed and breakfast establishment, restaurant  
14 or vending machine commissary without a preinspection. This section does not apply  
15 to a temporary restaurant or when a permit is transferred under s. 254.64 (4) (d) or  
16 (e).

17 **History:** 1983 a. 203 ss. 10, 16, 19; 1983 a. 538; 1987 a. 27, 81; 1993 a. 27 s. 68; Stats. 1993 s. 254.65.

**(END)**

**Basford, Sarah**

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**From:** Blodgett, Tony

**Sent:** Monday, October 03, 2005 2:44 PM

**To:** LRB.Legal

**Subject:** Submitted: LRB 05-1480/1 Topic: Transferring a permit for a restaurant, hotel, bed and breakfast, rooming house or vending machine?body=

Please jacket LRB 1480/1 for introduction. Thank you.

Tony Blodgett  
Legislative Aide  
Office of Rep. Jeff Wood  
(608) 266-1194: Office  
(608) 282-3667: Fax  
tony.blodgett@legis.state.wi.us