



2005 ASSEMBLY BILL 742

October 11, 2005 - Introduced by Representatives WOOD, MURSAU, ALBERS, BIES, FIELDS, GIELOW, HAHN, HUNDERTMARK, KRAWCZYK, MOULTON, MUSSER, OWENS, PETROWSKI and TOWNS, cosponsored by Senators GROTHMAN, LASSA, ZIEN and STEPP. Referred to Committee on Small Business.

1 **AN ACT to amend** 254.47 (2), 254.64 (4) (b) and 254.65 (1); **to repeal and**
2 **recreate** 254.64 (4) (a); and **to create** 254.64 (4) (e) of the statutes; **relating**
3 **to:** transferring a permit to operate a hotel, restaurant, bed and breakfast,
4 rooming house, or vending machine.

Analysis by the Legislative Reference Bureau

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 preinspection of the establishment and charges the owner of the establishment a preinspection fee. A permit is not transferable. If ownership of an establishment changes, the establishment is subject to the preinspection and the new owner must pay the preinspection 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.

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.

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

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 **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 **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
21 business entity may transfer a permit issued under this section for operation of an

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1 establishment to the newly formed business entity or sole proprietorship if the
2 following conditions are satisfied:

- 3 1. The establishment remains at the location for which the permit was issued.
- 4 2. At least one individual who had an ownership interest in the sole
5 proprietorship or business entity to which the permit was issued has an ownership
6 interest in the newly formed sole proprietorship or business entity.

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

8 254.65 (1) The department or a local health department granted agent status
9 under s. 254.69 (2) may not grant a permit to a person intending to operate a new
10 hotel, tourist rooming house, bed and breakfast establishment, restaurant or
11 vending machine commissary or to a person intending to be the new operator of an
12 existing hotel, tourist rooming house, bed and breakfast establishment, restaurant
13 or vending machine commissary without a preinspection. This section does not apply
14 to a temporary restaurant or when a permit is transferred under s. 254.64 (4) (d) or
15 (e).

16 (END)