



**Office of the City Clerk/Personnel Director
City of Stoughton
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MEMORANDUM

**To: Finance Committee
From: Nick Probst
Date: July 23, 2012
RE: Business License**

As directed by the Finance Committee, I have started research on the potential for a general Business License. It is my understanding that the Committee's desired construction of a potential Business License would require the following provisions:

1. A business agent listed on file.
2. All personal property tax or other debts owed to the City of Stoughton be paid prior to issuance.
3. A business operating without a license would not be permitted to conduct business in the City.
4. A license may be revoked if debts to the City are unpaid.

Other issues for consideration would be the license fee, exemption level, and penalty for non-compliance. Exemption level may be drawn at businesses that own commercial property, businesses with a specified amount of income, businesses registered as an entity with the Department of Regulations & Licensing, or all businesses in operation. Enforcement of the license would also need to be considered.

The provisions of a potential ordinance would not be particularly difficult to draft; however, investigation into the authority to issue a license for a primary purpose of personal property tax collection will require further research.

It appears that a general business license would be unique in Wisconsin. An inquiry sent to the League of Wisconsin Municipalities revealed that no member cities or villages were known to have a general business license. Stoughton would likely be the first and only municipality in the area to require a general business license, which may be received negatively by the business

community. I will continue my review of general Business Licenses and update the Finance Committee as appropriate. Outside legal consultation may provide a definitive answer on the potential for this license.

An alternative to a Business License would be to take action to collect delinquent personal property taxes under Wis. Stat. 74.55.

74.55 Action to collect delinquent personal property taxes.

(1) Civil action. Delinquent personal property taxes, together with any interest and penalty under s. 74.47, may be recovered by the taxation district in a civil action, including an action under ch. 799, if the action is brought within 6 years after the January 1 of the year in which the taxes are required to be paid.

(2) Certain property not exempt from execution. In a proceeding to enforce a judgment rendered in an action under this section to recover delinquent personal property taxes, the personal property on which the taxes were delinquent is not exempt from execution under s. 815.18.

History: 1987 a. 378.

A form summons and complaint process could be setup internally to facilitate the process and collect on delinquent accounts.

R/S

Nick Probst