



Dane County Planning & Development Zoning Division

July 7, 2026

TO: Zoning and Land Regulation Committee

From: Hans Hilbert, Interim Zoning Administrator

RE: Definition of limited family business and application of land use

This memorandum is in response to a request by the committee for information regarding the definition of a limited family business, specifically how it relates to the evaluation and approval of conditional use permits.

Dane County Code of Ordinances, Chapter 10, defines a limited family business as:

"a small family-run commercial operation, accessory to a permitted principal use, that takes place entirely within an accessory building. All employees, except up to one or one full-time equivalent, must be a member of the family residing on the premises."

While the definition establishes the foundational threshold for this land use, the ordinance dictates that it cannot be evaluated in isolation. Section 10.103(12) establishes specific requirements that operationalize how a limited family business is regulated and bounded:

- (a) A conditional use permit for a limited family business is designed to accommodate small family businesses without the necessity for relocation or rezoning while at the same time protecting the interests of adjacent property owners. Applicants for this conditional use permit should recognize that rezoning or relocation of the business may be necessary or may become necessary if the business is expanded. No limited family or rural business shall conflict with the purposes of the zoning district in which it is located.
- (b) The use shall employ no more than one or one full-time equivalent employee who is not a member of the family residing on the premises.
- (c) Using applicable conditional use permit standards, the committee shall determine the percentage of the property that may be devoted to the business.
- (d) The conditional use permit holder may be restricted to a service-oriented business and thus prohibited from manufacturing or assembling products or selling products on the premises or any combination thereof.
- (e) The conditional use permit may restrict the number and types of machinery and equipment the permit holder may be allowed to bring on the premises.
- (f) Structures used in the business shall be considered to be residential accessory buildings and shall meet all requirements for such buildings. The design and size of the structures is subject to conditions set forth in the conditional use permit.
- (g) Sanitary fixtures to serve the limited family business use may be installed, but must be removed upon expiration of the conditional use permit or abandonment of the limited family business.

(h) The conditional use permit shall automatically expire on sale of the property or the business to an unrelated third party.

In practice, regulating a limited family business requires a synthesis of both the baseline definition and the specific performance standards listed above. The definition provides the framework, but the special requirements create the boundaries for intensity, scale, and neighborhood compatibility.

Because commercial operations vary significantly, the Zoning Administrator evaluates these factors concurrently to determine if a proposed use fits the scope of a limited family business, or if its operational intensity has expanded to a point where a commercial rezone or relocation is required to preserve the integrity of the underlying zoning district.