

ORDINANCE NO. 080391

Amending Chapter 10, Code of Ordinances, by repealing Section 10-266, Change in ownership of business, and enacting in lieu thereof a new article of like number and subject matter which requires the consent requirement outlined in Section 10-214 be met for a sale of any business where a change will be made in the type of business, type of liquor sold or the type of entertainment allowed at the business.

BE IT ORDAINED BY THE COUNCIL OF KANSAS CITY:

Section 1. That Chapter 10, Code of Ordinances of the City of Kansas City, Missouri, is hereby amended by repealing Section 10-266, Change in ownership of business, and enacting in lieu thereof a new section of like number and subject matter, to read as follows:

Sec. 10-266. Change in ownership of business.

(a) Any person intending to acquire any ownership interest in an existing business licensed under this chapter that is owned by an individual, partnership or limited liability company, as distinguished from a corporation, and any person intending to acquire 10 percent or more ownership in a corporation that is a sole owner, a partner or member in a limited liability company that owns an existing business licensed under this chapter shall not acquire ownership in the business or participate in management or control of the business without first obtaining an approval therefor from the director. The owner of an existing business licensed under this chapter shall not allow a person to acquire ownership in the business or participate in the management or control of the business without first obtaining an approval therefor from the director.

(b) Any person intending to acquire any ownership interest in an existing business licensed under this chapter that is owned by an individual, partnership or limited liability company, as distinguished from a corporation, and any person intending to acquire 10 percent or more ownership in a corporation that is a sole owner, a partner or member in a limited liability company that owns an existing business licensed under this chapter shall make application therefor to the director, in writing, and under oath and shall pay an application fee of \$250.00 to the city treasurer to defray the cost of investigation and the application process. The application fee is not refundable.

(c) The application form and process for a change in ownership of a business licensed under this chapter shall follow all of the provisions contained in this chapter that apply to an application for an original license except that the requirements that pertain to density and distance from churches and schools shall not apply so long as the business under the new owner(s) will be operated at the same location.

(d) The requirements that pertain to consents, as outlined in section 10-214 of this chapter, shall not apply to a change in ownership of a business so long as the new business meets the following requirements:

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- (1) The type of business, including but not limited to a restaurant, tavern, hotel, bowling alley, grocery store, convenience store that was approved by the director remains the same; and
- (2) The classification of liquor license(s), as outlined in article III of this chapter, remain the same as the liquor license(s) that is currently on the premises; and
- (3) The type of live entertainment remains the same as the type of live entertainment that was approved by the director.

(e) As a condition precedent to the approval of an application for the change of ownership in an existing business licensed under this chapter that is owned by an individual, partnership or limited liability company, as distinguished from a corporation, and any person intending to acquire 10 percent or more ownership in a corporation that is a sole owner, a partner or member in a limited liability company that owns an existing business licensed under this chapter, the existing owner of the business shall furnish to the director the following information:

- (1) A written notice of intention to sell or transfer ownership in the business prior to the closing date of the change of ownership of the business, and
- (2) An affidavit disclosing the names of the prospective new owner(s), the names and addresses of creditors of the licensee who are wholesale suppliers of alcoholic beverages, and stating that all the creditors have been notified in writing, by registered mail, or that the creditors have been personally served with notice of any proposed change in ownership.

(f) If upon investigation, the director verifies and is satisfied with the information presented, and if the applicant for the new license has complied with and met all of the applicable requirements of this chapter, then the director may issue a license to the new owner.

(g) If all of the applicable requirements, the investigation process and approval of the change of ownership of an existing business licensed under this chapter are not complete by the time that the existing license is up for renewal, then the applicant shall be required to meet all of the requirements of this chapter for an original license including the density, consent and distance from churches and schools unless the existing licensee renews the license for the next license year under all of the requirements for renewal under this chapter including the specified time periods.

(h) The director may refuse to approve or may delay the approval of an application for change of ownership of the business if the applicant or licensee is under citation by the city or by the state department of liquor control, if an alleged violation or matter has not yet been finally adjudicated, if the licensee is under an administrative suspension or revocation ordered by the state or the city's director or board, if the director

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determines that the change in ownership of the business occurred without notifying the director in the manner provided in this section, or if the licensee or the applicant, as the case may be, is not eligible under the provisions of this chapter. If the director disapproves the application, then the applicant may file a written request for a hearing before the board in the manner provided in section 10-62(a) of this chapter.

(i) Any application or request for approval of a change in the ownership of the business which is incomplete for a period of 90 days after the date of filing with the director may be disapproved by the director and the applicant may file a written request for a hearing before the board in the manner provided in section 10-62(a) of this chapter.

Approved as to form and legality:

Kathy Adams
Assistant City Attorney