

Ordinance No. 260557

Illegal Businesses as Enumerated Nuisances

July 28, 2026

Prepared for

Neighborhood Planning and Development Committee



Overview

- Existing Code
- The Problem
- The Enforcement Gap
- How Ordinance 260557 Addresses the Enforcement Gap
- Expected Benefits

- The City requires businesses to obtain licenses, permits, and other governmental approvals to help ensure compliance with public safety laws and regulations.
 - Examples: business licenses, liquor licenses, fire permits, building and occupancy approvals, health permits, zoning and land use approvals, short term-rental registrations

The Problem

- Some businesses operate outside the City's regulatory framework by:
 - Never obtaining requisite licenses or permits
 - Continuing to operate after a license is suspended or revoked
 - Operating beyond the scope of approved licenses and activities
 - Reopening under different names or entities to avoid enforcement

Businesses that operate without the requisite licenses and approvals evade public safety safeguards, create unsafe conditions, threaten public safety, and negatively impact surrounding neighborhoods.

Examples of Illegal Businesses Posing Public Safety Risks

- Illegal event venues
- Illegal “after-hours” clubs
- Commercial party houses operating unlawfully (short term Rental)
- Illegal Gambling Establishments

Ways Illegal Businesses Evade Enforcement

- Moving between locations
- Changing operators
- Changing business names
- Creating new entities with the same ownership group
- Going underground after a “viral” public safety incident

Existing Enforcement Gaps

- The City has existing tools when a business has a license.
 - Examples: enforce license conditions; suspend or revoke a license; impose fees
- But some businesses **never** obtain the licenses or approvals required to operate legally, limiting the City's enforcement options.

Existing Enforcement Gaps (cont.)

- Businesses operating without requisite licenses may be subject to certain citations and enforcement action by KCPD. *See* §40-28(h).
- But:
 - There may be no license to suspend or revoke
 - Existing enforcement alone may not fully address the unlawful operation and provide sufficient notice to the public

Ordinance 260557 fills existing enforcement gaps by providing a nuisance abatement tool when a business never obtain a required license or approval.

Ordinance 260557 – Key Provisions

- Declares unlawful business operations and the property where such operations occurred to be enumerated nuisances
- Applies when a business:
 - never obtained required approvals
 - Continues operating after suspension or revocation
 - Exceeds the scope of approved operations (*e.g.*, licensed auto shop operates illegally as a nightclub)
- Preserves all existing enforcement authorities in the Code

Closing the Enforcement Gap:

Businesses operates without ever having obtained requisite license(s) and approval(s)).

Current Enforcement Framework	With Ordinance 260557
No license exists to sanction, suspend, or revoke. KCPD may issue citation to the business operation and the case is addressed through the court system.	The City may simultaneously initiate nuisance abatement procedures against the unlawful business operation <u>and</u> the property owner.
Enforcement is reactive and focuses addressing the underlying code violation.	Nuisance abatement allows the City to address the unlawful business operation before additional public safety harms occur.
Limited to existing enforcement tools	Adds a tool that complements - not replaces – existing enforcement tools

How Ordinance 260557 Works

1. An unlawful business operation is identified.
2. Existing enforcement may continue (*e.g.*, KCPD issued citation(s)).
3. The City may declare the operation an enumerated nuisance under Chapter 48.
4. The City may pursue the nuisance remedies already available under Chapter 48, including an order to remove the nuisance(s) or issuing an emergency order to immediately correct or abate the emergency. (*See e.g.*, §§ 48-62, 48-68).

Expected Benefits

- Closes an existing enforcement gap
- Encourages compliance with licensing requirements
- Supports lawful businesses
- Supports earlier interventions when businesses operate unlawfully
- Complements existing Code enforcement
- Protects neighborhoods, residents, visitors
- Promotes improved public safety

Questions?