

ASSOCIATIONS AND LIQUOR LIABILITY

by
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Most Association Executives are vaguely aware of laws imposing liability for selling and serving alcoholic beverages, but the laws are widely misunderstood, and vary from state to state. While there is no reason to believe that serving alcohol represents an unacceptable risk to an Association, every Association Executive should be aware of basic legal provisions relating to, and manage the Association's risks, in doing so.

Dram Shop Laws

Like many other states, California has enacted legislation called a "Dram Shop" law. California's Dram Shop law imposes criminal penalties on persons who (among other things) sell or give any alcoholic beverage to any obviously intoxicated person. A person who serves or authorizes service of alcohol to an intoxicated person is guilty of a misdemeanor. However, the consumer of the alcohol, rather than the server, is generally solely responsible and/or liable for harm caused to third parties. See California Business and Professions Code, Section 25602. In fact, no social host who furnishes alcoholic beverages to any person may be held legally liable for damages suffered by the drinking party, or for injuries to third persons resulting from the consumption of those beverages. Civil Code, Section 1714. The rules are dramatically different with respect to serving alcohol to minors; civil liability is imposed with respect to serving alcohol to minors. See Business and Professions Code, Section 25602.1.

Notwithstanding these statutes, it is the responsibility of organizations serving alcohol to carefully manage that activity. As we all know, the potential for harm that can result from over-consumption of alcohol is frightening. So, while the law may not require it, social responsibility mandates that alcohol be served responsibly.

Suggested Practices for Association Organizations that Serve Alcohol

1. It is absolute imperative that minors never be sold or given alcohol at any Association function.
2. While bartenders hopefully have the knowledge, training and judgment to serve alcohol responsibly, volunteer Association leaders and staff might not. For this reason, volunteers and staff who serve alcoholic beverages should receive some training. Helpful tips for training bartenders can be found at "Training for Intervention Procedures" at www.gettips.com.
3. Limit the number of drinks served, especially if they are provided at no change, and serve drinks at full price when feasible. Have servers pour the wine at tables.

4. Assign responsibility for oversight at Association functions to officers and/or directors to intervene when alcohol consumption becomes an issue during Association functions. As a last resort, steps should be taken to ensure that persons who may have consumed too much alcohol have a safe ride home.

5. Although the statutes provide a great deal of protection relating to civil liability relating to serving alcohol at meetings, event organizers should consider purchasing insurance that covers such risks, and/or provides a defense if a claim is made (legal work will be entailed to have a case dismissed if one is brought). This subject should be discussed with each organization's insurance broker, and the broker's written reply should be kept on file for future reference.

Conclusion

Management of liquor consumption at Association meetings is an excellent idea to keep the meetings safe and enjoyable. Legal liability for liquor consumption generally falls on the consumer in California, but servers/sponsors can be guilty of a misdemeanor for serving intoxicated persons. For these reasons, it makes sense to provide some training and or guidelines for volunteers and staff serving alcohol at Association events, and to provide a reasonable amount of oversight of alcohol use for those events. Taking these steps will help ensure that your meetings stay safe and enjoyable.

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