

North Carolina Dram Shop Law



The main dram shop law imposes liability for car accidents caused by selling alcohol to an underage person, but courts have imposed liability more broadly.

North Carolina General Statutes Section 18B-121 provides that an injured person may bring a claim for damages against an entity with a permit under the liquor law or a local Alcoholic Beverage Control Board in a specific situation. This is when the defendant (or its employee or agent) negligently sold or provided alcohol to an underage person, the consumption of the alcohol caused or contributed to an underage driver being subject to an impairing substance at the time of the injury, and the resulting injury was proximately caused by the underage driver's negligent operation of a vehicle while impaired. Damages are capped at \$500,000 per occurrence. A related law provides that this statute does not eliminate any common-law claims.

Meanwhile, Section 18B-305 prohibits an entity with a permit under the liquor law (or their employee) from knowingly selling or giving alcohol to an intoxicated person. This statute does not explicitly provide for a civil right of action, but the North Carolina Court of Appeals has ruled that a licensed provider of alcoholic beverages for on-premises consumption may be held liable for injuries or damages resulting from the acts of people to whom alcohol was illegally provided while they were intoxicated. Moreover, the North Carolina Supreme Court has found that a social host may be liable under common-law negligence principles for serving alcohol to someone whom they knew or should have known was under the influence and would drive a car shortly after consuming the alcohol.