



Court Rejects Vicarious Liability Under Georgia Boating Law

By John P. Kavanagh, Jr. and Erin C. Howell

The State Court of Dekalb County, Georgia recently held that companies operating in the boat rental business cannot be held vicariously liable for the negligent acts of their rental customers. Carol Morris v. Yaaqov Avihassira, et al., Civil Action File No. 11A-39187-4 (Order dated 7/31/14). In the first case to interpret Georgia's vicarious liability boating law in the rental context, O.C.G.A. §§ 51-1-21 and 51-1-22, the Court held that a boat rental company may only be held liable for the actions of a renter in the same way that a motor vehicle rental company may be held liable.

The plaintiff in this case was injured when the operator of a rented vessel struck her boat causing the plaintiff to fall into the water and injure her leg. The operator of the offending vessel rented his boat from a watercraft rental business on Lake Lanier. After her injury, the plaintiff filed a lawsuit against the operator of the boat for negligence and against the rental company alleging, among other claims, vicarious liability under O.C.G.A § 51-1-22.

On summary judgment, Burr & Forman attorneys representing the rental company successfully argued that boat rental companies may only be held liable in the same way and to the same degree as motor vehicle rental operations. While the plaintiff was attempting to hold the boat rental company liable for no other reason than its ownership of the vessel, the Court agreed with the defense and held that the mere ownership of the vessel was not sufficient to impose vicarious liability where a motor vehicle owner would not be held liable under the same circumstances.

The implications of this ruling for watercraft rental businesses are clear. A Georgia State Court has now explicitly held that the mere ownership of a vessel does not impose vicarious liability for a renter's actions (just as it does not in the rental car context). It will take something more than simply renting the vessel for the company to have vicarious liability imposed upon it -- such as a master-servant relationship. As a word of caution, a boat rental company may still be held liable for the negligent entrustment of a vessel to a renter when the rental company has *actual knowledge* of incompetence based upon age, inexperience, or a known habit of recklessness.

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