

The House Committee on Judiciary offers the following substitute to HR 178:

A RESOLUTION

1 Proposing an amendment to the Constitution so as to authorize the General Assembly to
 2 provide for contracts that limit competitive activities between or among employers and
 3 employees, distributors and manufacturers, lessors and lessees, partnerships and partners,
 4 franchisors and franchisees, sellers and purchasers of a business or commercial enterprise,
 5 or two or more employers; to provide for the submission of this amendment for ratification
 6 or rejection; and for other purposes.

7 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF GEORGIA:

8 SECTION 1.

9 Article III, Section VI, Paragraph V of the Constitution is amended by revising subparagraph
 10 (c) as follows:

11 "(c)(1) The General Assembly shall not have the power to authorize any contract or
 12 agreement which may have the effect of or which is intended to have the effect of
 13 defeating or lessening competition, or encouraging a monopoly, which are is hereby
 14 declared to be unlawful and void. Except as otherwise provided in subparagraph (c)(2)
 15 of this paragraph, the General Assembly shall not have the power to authorize any
 16 contract or agreement which may have the effect of or which is intended to have the
 17 effect of defeating or lessening competition, which is hereby declared to be unlawful and
 18 void.

19 (2) The General Assembly shall have the power to authorize and provide by general
 20 law for judicial enforcement of contracts or agreements restricting or regulating
 21 competitive activities between or among:

22 (A) Employers and employees;

23 (B) Distributors and manufacturers;

24 (C) Lessors and lessees;

25 (D) Partnerships and partners;

26 (E) Franchisors and franchisees;

27 (F) Sellers and purchasers of a business or commercial enterprise; or

28 (G) Two or more employers.

29 (3) The authority granted to the General Assembly in subparagraph (c)(2) of this
 30 paragraph shall include the authority to grant to courts by general law the power to limit
 31 the duration, geographic area, and scope of prohibited activities provided in a contract or
 32 agreement restricting or regulating competitive activities to render such contract or
 33 agreement reasonable under the circumstances for which it was made."

34 **SECTION 2.**

35 The above proposed amendment to the Constitution shall be published and submitted as
 36 provided in Article X, Section I, Paragraph II of the Constitution. The ballot submitting the
 37 above proposed amendment shall have written or printed thereon the following:

38 "() YES Shall the Constitution of Georgia be amended so as to permit the General
 39 Assembly to enact laws that authorize contract provisions regulating
 40 () NO competitive activities and to enable courts to ensure the reasonableness of
 41 such contracts?"

42 All persons desiring to vote in favor of ratifying the proposed amendment shall vote "Yes."
 43 All persons desiring to vote against ratifying the proposed amendment shall vote "No." If
 44 such amendment shall be ratified as provided in said Paragraph of the Constitution, it shall
 45 become a part of the Constitution of this state.