

House Resolution 178

By: Representatives Levitas of the 82nd, Coan of the 101st, Parrish of the 156th, Wilkinson of the 52nd, Lunsford of the 110th, and others

A RESOLUTION

1 Proposing an amendment to the Constitution so as to allow the enforcement of contracts that
 2 restrict competition during or after the term of employment or of a commercial relationship
 3 so long as such contracts are reasonable in time, area, and line of business; to provide that
 4 courts may modify such contracts to achieve the intent of the contracting parties; to provide
 5 for the submission of this amendment for ratification or rejection; and for other purposes.

6 BE IT RESOLVED BY THE GENERAL ASSEMBLY OF GEORGIA:

7 SECTION 1.

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

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

14 (2) The General Assembly shall have the authority to provide by general law for
 15 contracts that restrict competition during or after a term of employment or of a
 16 commercial relationship so long as such contracts are reasonable in time, area, and line
 17 of business.

18 (3) In order to conform contracts with general laws relating to contracts that restrict
 19 competition during or after a term of employment or of a commercial relationship and in
 20 order to achieve the original intent of the contracting parties, a court may modify a
 21 contract that restricts competition during or after a term of employment or of a
 22 commercial relationship to cure any deficiencies relating to the competitive restrictions
 23 where the restrictions would, if left unmodified, contravene any provision of this
 24 Constitution or of the United States Constitution or would otherwise render the contract
 25 or any restrictive covenant contained in the contract unlawful and unenforceable."

26

SECTION 2.

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

30 " YES Shall the Constitution of Georgia be amended so as to authorize the General

31 NO Assembly to provide for contracts that limit competition during or after the
32 term of employment or of a commercial relationship and to authorize the
33 courts to cure legal defects in such contracts in order to protect legitimate
34 interests and achieve the intent of the parties?"

35 All persons desiring to vote in favor of ratifying the proposed amendment shall vote "Yes."

36 All persons desiring to vote against ratifying the proposed amendment shall vote "No." If
37 such amendment shall be ratified as provided in said Paragraph of the Constitution, it shall
38 become a part of the Constitution of this state.