

**Senate Bill No. 633**

## CHAPTER 238

An act to amend Section 17533.7 of the Business and Professions Code, relating to false advertising.

[Approved by Governor September 1, 2015. Filed with Secretary of State September 1, 2015.]

## LEGISLATIVE COUNSEL'S DIGEST

SB 633, Hill. Consumer protection: "Made in U.S.A." label.

Existing law prohibits the sale or offering of sale in the state of any merchandise on which merchandise or on its container appears the words, "Made in U.S.A.," "Made in America," "U.S.A.," or similar words when the merchandise or any article, unit, or part thereof, has been entirely or substantially made, manufactured, or produced outside of the United States.

This bill would exempt from the prohibition merchandise made, manufactured, or produced in the United States if either the merchandise has one or more articles, units, or parts from outside the United States if they do not constitute more than 5% of the final wholesale value of the product or the manufacturer makes a specified showing regarding the articles, units, or parts from outside the United States and they do not constitute more than 10% of the final wholesale value of the product. The bill would also not apply to merchandise sold for resale to consumers outside of the state. Merchandise offered or sold outside the state would not be deemed mislabeled if the label conforms to the law of that state or country.

*The people of the State of California do enact as follows:*

**SECTION 1.**

Section 17533.7 of the Business and Professions Code is amended to read: 17533.7.

(a) It is unlawful for any person, firm, corporation, or association to sell or offer for sale in this state any merchandise on which merchandise or on its container there appears the words "Made in U.S.A.," "Made in America," "U.S.A.," or similar words if the merchandise or any article, unit, or part thereof, has been entirely or substantially made, manufactured, or produced outside of the United States.

(b) This section shall not apply to merchandise made, manufactured, or produced in the United States that has one or more articles, units, or parts from outside of the United States, if all of the articles, units, or parts of the merchandise obtained from outside the United States constitute not more than 5 percent of the final wholesale value of the manufactured product.

(c) (1) This section shall not apply to merchandise made, manufactured, or produced in the United States that has one or more articles, units, or parts from outside of the United States, if both of the following apply:

(A) The manufacturer of the merchandise shows that it can neither produce the article, unit, or part within the United States nor obtain the article, unit, or part of the merchandise from a domestic source.

(B) All of the articles, units, or parts of the merchandise obtained from outside the United States constitute not more than 10 percent of the final wholesale value of the manufactured product.

(2) The determination that the article, unit, or part of the merchandise cannot be made, manufactured, produced, or obtained within the United States from a domestic

source shall not be based on the cost of the article, unit, or part.

(d) This section shall not apply to merchandise sold for resale to consumers outside of California.

(e) For purposes of this section, merchandise sold or offered for sale outside of California shall not be deemed mislabeled if the label conforms to the law of the forum state or country within which they are sold or offered for sale.

---