

AMENDED IN SENATE JUNE 14, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 890**

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**Introduced by Assembly Member Jones**

*(Principal coauthor: Senator Hill)*

February 22, 2013

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

LEGISLATIVE COUNSEL'S DIGEST

AB 890, as amended, Jones. False advertising.

Existing law makes it unlawful for any person, firm, corporation, or association to sell, or offer for sale, merchandise that advertises itself as being made or manufactured in the United States when any article, unit, or part of the merchandise has been entirely or substantially made, manufactured, or produced outside of the United States.

~~This bill would provide that a product that is made all or virtually all in the United States, within the meaning of a specified policy statement of the Federal Trade Commission, shall be deemed made within the United States, as specified. The bill would also state the intent of the Legislature in enacting the bill.~~

*This bill would eliminate the requirement that any article, unit, or part of the merchandise be substantially manufactured in the United States in order for the merchandise to advertise that it is made in the United States. The bill would deem any merchandise to be substantially made, manufactured, or produced within the United States if specified requirements are met, including that United States manufacturing costs constitute at least 90% of the total manufacturing costs for the*

*merchandise and that the merchandise was last substantially transformed or assembled in the United States.*

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

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

1     ~~SECTION 1. It is the intent of the Legislature in enacting this~~  
2     ~~measure to clarify existing state law with respect to federal law in~~  
3     ~~order to improve this state's ability to successfully compete with~~  
4     ~~other states and nations for jobs, investments, and manufacturing.~~

5     ~~SEC. 2.~~

6     ~~SECTION 1.~~ Section 17533.7 of the Business and Professions  
7     Code is amended to read:

8     17533.7. (a) It is unlawful for any person, firm, corporation,  
9     or association to sell or offer for sale in this ~~State~~ *state* any  
10    merchandise on which merchandise or on its container there  
11    appears the words "Made in U.S.A.," "Made in America,"  
12    "U.S.A.," or similar words when the merchandise ~~or any article,~~  
13    ~~unit, or part thereof,~~ has been entirely or substantially made,  
14    manufactured, or produced outside of the United States.

15    ~~(b) For purposes of subdivision (a), a product that is made all~~  
16    ~~or virtually all in the United States, within the meaning of the~~  
17    ~~Enforcement Policy Statement on U.S. Origin Claims issued by~~  
18    ~~the Federal Trade Commission (62 Fed. Reg. 63756 (Dec. 2,~~  
19    ~~1997)), shall be deemed merchandise that has been entirely or~~  
20    ~~substantially made, manufactured, or produced within the United~~  
21    ~~States.~~

22    ~~(b) For purposes of this section, any merchandise has been~~  
23    ~~substantially made, manufactured, or produced within the United~~  
24    ~~States if it meets all of the following requirements:~~

25    ~~(1) United States manufacturing costs constitute at least 90~~  
26    ~~percent of the total manufacturing costs for the merchandise.~~

27    ~~(2) At least 90 percent of the components, parts, articles, or~~  
28    ~~units of the merchandise were manufactured in the United States.~~

29    ~~(3) No more than 10 percent of the total manufacturing costs~~  
30    ~~for the merchandise were either incurred outside of the United~~  
31    ~~States as a result of the unavailability of raw materials in the~~  
32    ~~United States, or incurred as the costs of a component, part, article,~~  
33    ~~or unit of the merchandise imported into the United States as a~~

1 *result of the unavailability of the component, part, article, or unit*  
2 *of the merchandise from a domestic manufacturer.*

3 *(4) No more than 10 percent of the components, parts, articles,*  
4 *or units of the merchandise were manufactured outside of the*  
5 *United States as a result of the unavailability of raw materials in*  
6 *the United States, or the component, part, article, or unit of the*  
7 *merchandise was imported into the United States as a result of the*  
8 *unavailability of the component, part, article, or unit of the*  
9 *merchandise from a domestic manufacturer.*

10 *(5) The merchandise was last substantially transformed or*  
11 *assembled in the United States.*