

# Made in America SB633 Enacted into Law

September 2, 2015

Today, California Governor Jerry Brown signed SB633 into legislation allowing manufacturers to carry the label “Made in America”, even if their products were not entirely made in the United States. This is similar to the federal standard used in the 49 other states. Specifically, SB633 stipulates that a “Made in USA” claim may be used in a product’s marketing in California provided no more than five percent – or in certain instances, ten percent – of the product’s component inputs originate from outside of the United States.

Introduced by state Sen. Jerry Hill (D-San Mateo/Santa Clara Counties) and Assemblyman Brian Jones (R-Santee), variations of the bill have weaved their way through Senate and Assembly over the last four years. The bill was passed by the Senate on May 22, 2015 and Assembly on July 16, 2015. SB633 replaces a strict California Business and Professional Code (CBPC) regulation instituted in 1961, which was intended to protect consumers from being misled into thinking they were purchasing products made in America. The CBPC statute has been widely criticized as making very little sense in today’s marketplace, and it is also different from the federal standard. Unlike California’s standard, which required 100% U.S. production, the Federal Trade Commission requires “all, or virtually all” of the product to be made in the United States in order for the manufacturer to make a “Made America” claim.

This bill is likely deter consumer class action lawsuits that have alleged that manufacturers and sellers improperly labeled a product as Made in America. From our point of view, this is a positive development for U.S. manufacturers, whose diligent compliance with the federal standard wasn’t enough to guard against suits under the California law. SB633 provides long sought-after transparency and clarity for companies wanting to use the ‘Made In America’ label in accordance with FTC guidelines, which would have been difficult to achieve through federal legislation. Additionally, it will stem the glut of class action suits filed in California that have taken advantage of the disparity between the state’s consumer protection law and the Federal Trade Commission’s “Made in USA” policy.

If you have any questions about this bill or its implications, please contact [Jennifer McCadney](#) and [Dustin Painter](#)