

By: Ordaz

H.B. No. 2194

A BILL TO BE ENTITLED

AN ACT

relating to the labeling, advertising, and sale of products as "Made in Texas"; authorizing a civil penalty.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Chapter 17, Business & Commerce Code, is amended by adding Subchapter E-1 to read as follows:

SUBCHAPTER E-1. LABELING, ADVERTISING, AND SALE OF "MADE IN TEXAS" PRODUCTS

Sec. 17.71. "MADE IN TEXAS" LABELING STANDARD. (a) The comptroller by rule shall establish criteria for determining whether a product may use "Made in Texas" or equivalent phrasing to represent that the product was made in whole or in substantial part in Texas.

(b) The criteria established under this section must include a requirement that all or virtually all significant parts and processing of a product originated in this state.

Sec. 17.72. COMPLIANCE WITH STANDARD REQUIRED. To the extent a person sells, advertises, or offers for sale in this state a product with "Made in Texas" or equivalent phrasing to represent that the product was made in whole or in substantial part in Texas, the label must be consistent with rules adopted by the comptroller under Section 17.71.

Sec. 17.73. CIVIL PENALTY; INJUNCTIVE RELIEF. (a) A person who violates Section 17.72 is liable to this state for a civil

1 penalty not to exceed \$500 for each violation.

2 (b) The attorney general may bring an action in the name of
3 the state to:

4 (1) recover a civil penalty under this section; or

5 (2) restrain or enjoin the person from violating
6 Section 17.72.

7 (c) The action may be brought in a district court in:

8 (1) Travis County; or

9 (2) a county in which any part of the violation or
10 threatened violation occurs.

11 (d) A civil penalty collected under this section shall be
12 deposited in the state treasury to the credit of the general revenue
13 fund.

14 Sec. 17.74. AMOUNT OF CIVIL PENALTY. (a) Each day that a
15 violation continues may be considered a separate violation for
16 purposes of a civil penalty under this subchapter.

17 (b) The amount of a civil penalty must be based on:

18 (1) the seriousness of the violation, including the
19 nature, circumstances, extent, and gravity of the violation;

20 (2) the history of previous violations;

21 (3) the amount necessary to deter a future violation;

22 (4) efforts by the person to correct the violation;

23 and

24 (5) any other matter that justice may require.

25 SECTION 2. This Act takes effect September 1, 2023.