

BILL ANALYSIS

Senate Research Center
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C.S.H.B. 2194
By: Ordaz et al. (Hughes)
Business & Commerce
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Committee Report (Substituted)

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

In 2020, the Reshoring Institute surveyed Americans and found that nearly 70 percent of the respondents said they prefer American-made products. Slightly more than 83 percent said they would pay up to 20 percent more for products made domestically. Thanks to the "Made in USA" labelling program, Americans are easily able to identify these products. The State of Texas does not have such a program, resulting in missed opportunities to boost sales of local businesses and deter misleading labels.

Without a labeling standard, it is unclear what products are made in Texas, or what criteria were used by a business to come to that determination. Additionally, it is beneficial for businesses with goods primarily made in Texas to have a recognizable term identifying their Texas-made products. With a clear standard in place, Texans will recognize and support these products.

H.B. 2194 seeks to address this need by requiring the Texas Economic Development and Tourism Office to establish and administer a "Made in Texas" labeling program that provides criteria to determine whether a person may sell, advertise, or offer for sale a product with "Made in Texas" or equivalent phrasing to represent that the product was made in whole or in substantial part in Texas.

C.S.H.B. 2194 amends current law relating to establishing a "Made in Texas" labeling program.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Economic Development and Tourism Office in SECTION 1 (Section 490D.051, Government Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Subtitle F, Title 4, Government Code, by adding Chapter 490D, as follows:

CHAPTER 490D. "MADE IN TEXAS" LABELING PROGRAM

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 490D.001. DEFINITIONS. Defines "office" and "program."

SUBCHAPTER B. "MADE IN TEXAS" LABELING PROGRAM

Sec. 490D.051. ESTABLISHMENT OF "MADE IN TEXAS" LABELING PROGRAM.

(a) Requires the Texas Economic Development and Tourism Office (office) to establish and administer a "Made in Texas" labeling program.

(b) Requires the office, in establishing the program, by rule to:

(1) establish criteria for determining whether a person is authorized to sell, advertise, or offer for sale in this state a product that uses "Made in Texas"

or equivalent phrasing to represent that the product was made in whole or in substantial part in this state; and

(2) design and administer the use of a logo for products to be labeled as "Made in Texas" and adopt an application process for authorizing use of the logo.

(c) Requires that the criteria established under Subsection (b)(1) include a requirement that all or virtually all significant parts and processing of a product originated in this state.

Sec. 490D.052. EXEMPT PRODUCTS. Provides that this chapter does not apply to or authorize the office to adopt rules governing the labeling of wine.

SECTION 2. Effective date: September 1, 2023.