

2024 -- H 7469

LC004390

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2024

A N A C T

RELATING TO HEALTH AND SAFETY -- INTERSTATE COMPACT ON  
INDUSTRIALIZED/MODULAR BUILDINGS

Introduced By: Representative Lauren H. Carson

Date Introduced: February 02, 2024

Referred To: House State Government & Elections

(Dept. of Business Regulation)

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 23-27.4-1 of the General Laws in Chapter 23-27.4 entitled "Interstate  
2 Compact on Industrialized/Modular Buildings" is hereby repealed.

3 ~~**23-27.4-1. Compact entered into.**~~

4 ~~The Interstate Compact on Industrialized/Modular Buildings is enacted into law and~~  
5 ~~entered into by the State of Rhode Island with all other jurisdictions legally joining therein in the~~  
6 ~~form substantially as follows:~~

7 ~~ARTICLE I~~

8 ~~FINDINGS AND DECLARATIONS OF POLICY~~

9 ~~(1) The compacting states find that:~~

10 ~~Industrialized/modular buildings are constructed in factories in the various states and are a~~  
11 ~~growing segment of the nation's affordable housing and commercial building stock.~~

12 ~~The regulation of industrialized/modular buildings varies from state to state and locality to~~  
13 ~~locality, which creates confusion and burdens state and local building officials and the~~  
14 ~~industrialized/modular building industry. Regulation by multiple jurisdictions imposes additional~~  
15 ~~costs, which are ultimately borne by the owners and users of industrialized/modular buildings,~~  
16 ~~restricts market access and discourages the development and incorporation of new technologies.~~

17 ~~(2) It is the policy of each of the compacting states to:~~

18 ~~Provide the states which regulate the design and construction of industrialized/modular~~

1 ~~buildings with a program to coordinate and uniformly adopt and administer the states' rules and~~  
2 ~~regulations for such buildings, all in a manner to assure interstate reciprocity.~~

3 ~~Provide to the United States Congress assurances that would preclude the need for a~~  
4 ~~voluntary preemptive federal regulatory system for modular housing, as outlined in Section 572 of~~  
5 ~~the Housing and Community Development Act of 1987, including development of model standards~~  
6 ~~for modular housing construction, such that design and performance will insure quality, durability~~  
7 ~~safety; will be in accordance with life cycle cost effective energy conservation standards; all to~~  
8 ~~promote the lowest total construction and operating costs over the life of such housing.~~

## 9 ~~ARTICLE II~~

### 10 ~~DEFINITIONS~~

11 ~~As used in this compact, unless the context clearly requires otherwise:~~

12 ~~(1) "Commission" means the Interstate Industrialized/Modular Buildings Commission.~~

13 ~~(2) "Industrialized/modular building" means any building which is of closed construction,~~  
14 ~~i.e. constructed in such a manner that concealed parts or processes of manufacture cannot be~~  
15 ~~inspected at the site, without disassembly, damage or destruction, and which is made or assembled~~  
16 ~~in manufacturing facilities, off the building site, for installation, or assembly and installation, on~~  
17 ~~the building site. "Industrialized/modular building" includes, but is not limited to, modular housing~~  
18 ~~which is factory built single family and multi family housing (including closed wall panelized~~  
19 ~~housing) and other modular, nonresidential buildings. "Industrialized/modular building" does not~~  
20 ~~include any structure subject to the requirements of the National Manufactured Home Construction~~  
21 ~~and Safety Standards Act of 1974.~~

22 ~~(3) "State" means a state of the United States, territory or possession of the United States,~~  
23 ~~the District of Columbia, or the Commonwealth of Puerto Rico.~~

24 ~~(4) "Uniform administrative procedures" means the procedures adopted by the~~  
25 ~~Commission (after consideration of any recommendations from the rules development committee)~~  
26 ~~which state and local officials, and other parties, in one state, will utilize to assure state and local~~  
27 ~~officials, and other parties, in other states, of the substantial compliance of industrialized/modular~~  
28 ~~building construction with the construction standard of requirements of such other states; to assess~~  
29 ~~the adequacy of building systems; and to verify and assure the competency and performance of~~  
30 ~~evaluation and inspection agencies.~~

31 ~~(5) "Model rules and regulations for industrialized/modular buildings" means the~~  
32 ~~construction standards adopted by the Commission (after consideration of any recommendations~~  
33 ~~from the rules development committee) which govern the design, manufacture, handling, storage,~~  
34 ~~delivery and installation of industrialized/modular buildings and building components. The~~

1 ~~construction standards and any amendments thereof shall conform insofar as practicable to model~~  
2 ~~building codes and referenced standards generally accepted and in use throughout the United States.~~

3 ~~(6) "Interim reciprocal agreement" means a formal reciprocal agreement between a~~  
4 ~~noncompacting state wherein the noncompacting state agrees that labels evidencing compliance~~  
5 ~~with the model rules and regulations for industrialized/modular buildings, as authorized in Article~~  
6 ~~VIII, item No. 14, shall be accepted by the state and its subdivisions to permit installation and use~~  
7 ~~of industrialized/modular buildings. Further, the noncompacting state agrees that by legislation or~~  
8 ~~regulation, and appropriate enforcement by uniform administrative procedures, the noncompacting~~  
9 ~~state requires all industrialized/modular building manufacturers within that state to comply with~~  
10 ~~the model rules and regulations for industrialized/modular buildings.~~

### 11 ~~ARTICLE III~~

#### 12 ~~CREATION OF COMMISSION~~

13 ~~The compacting states hereby create the Interstate Industrialized/Modular Buildings~~  
14 ~~Commission, hereinafter called commission. Said commission shall be a body corporate of each~~  
15 ~~compacting state and an agency thereof. The commission shall have all the powers and duties set~~  
16 ~~forth herein and such additional powers as may be conferred upon it by subsequent action of the~~  
17 ~~respective legislatures of the compacting states.~~

### 18 ~~ARTICLE IV~~

#### 19 ~~SELECTION OF COMMISSIONERS~~

20 ~~The commission shall be selected as follows:~~

21 ~~As each state becomes a compacting state, one resident shall be appointed as commissioner.~~  
22 ~~The commissioner shall be selected by the governor of the compacting state, being designated from~~  
23 ~~the state agency charged with regulating industrialized/modular buildings or, if such state agency~~  
24 ~~does not exist, being designated from among those building officials with the most appropriate~~  
25 ~~responsibilities in the state. The commissioner may designate another official as an alternate to act~~  
26 ~~on behalf of the commissioner at commission meetings which the commissioner is unable to attend.~~  
27 ~~Each state commissioner shall be appointed, suspended or removed and shall serve subject to and~~  
28 ~~in accordance with the laws of the state which said commissioner represents; and each vacancy~~  
29 ~~occurring shall be filled in accordance with the laws of the state wherein the vacancy exists.~~

30 ~~When three state commissioners have been appointed in the manner described, those state~~  
31 ~~commissioners shall select one additional commissioner who shall be a representative of~~  
32 ~~manufacturers industrial or commercial use of industrialized/modular buildings.~~

33 ~~When six state commissioners have been appointed, the state commissioners shall select a~~  
34 ~~third additional commissioner who shall be a representative of manufacturers of residential use~~

1 ~~industrialized/modular buildings.~~

2 ~~With each addition of three state commissioners, the state commissioners shall appoint one~~  
3 ~~additional manufacturing representative commissioner, alternating between a representative of~~  
4 ~~manufacturers of industrial or commercial use industrialized/modular buildings and residential use~~  
5 ~~industrialized/modular buildings. With each addition of twelve state commissioners, the state~~  
6 ~~commissioners shall appoint one additional commissioner, who represents consumers of~~  
7 ~~industrialized/modular buildings.~~

8 ~~The subsequent appointment of all representative commissioners shall be in this same~~  
9 ~~manner, maintaining a ratio of manufacturer representatives to consumer representatives of four to~~  
10 ~~one.~~

11 ~~In the event states withdraw from the compact or, for any other reason, the number of state~~  
12 ~~commissioners is reduced, the state commissioners shall remove the last added representative~~  
13 ~~commissioner as necessary to maintain a balance of state commissioners to representative~~  
14 ~~commissioners in the same proportion as the appointments outlined herein.~~

15 ~~Upon a majority vote of the state commissioners, the state commissioners may remove, fill~~  
16 ~~a vacancy created by or replace any representative commissioner, provided that any replacement is~~  
17 ~~made from the same representative group and a three to one ratio is maintained.~~

18 ~~Unless provided otherwise, the representative commissioners have the same authority and~~  
19 ~~responsibility as the state commissioners. In addition, the commission may have as a member one~~  
20 ~~commissioner representing the United States government if federal law authorizes such~~  
21 ~~representation. Such commissioner shall not vote on matters before the commission. Such~~  
22 ~~commissioner shall be appointed by the President of the United States, or in such other manner as~~  
23 ~~may be provided by Congress.~~

24 ~~ARTICLE V~~

25 ~~VOTING~~

26 ~~Each commissioner (except the commissioner representing the United States government)~~  
27 ~~shall be entitled to one vote on the commission. A majority of the commissioners shall constitute a~~  
28 ~~quorum for the transaction of business. Any business transacted at any meeting of the commission~~  
29 ~~must be by affirmative vote of a majority of the quorum present and voting.~~

30 ~~ARTICLE VI~~

31 ~~ORGANIZATION AND MANAGEMENT~~

32 ~~The commission shall elect annually, from among its members, a Chairperson, a Vice~~  
33 ~~Chairperson and a Treasurer. The commission shall also select a Secretariat, which shall provide~~  
34 ~~an individual who shall serve as Secretary of the commission. The commission shall fix and~~

1 ~~determine the duties and compensation of the Secretariat.~~

2 ~~The commissioners shall serve without compensation, but shall be reimbursed for their~~  
3 ~~actual and necessary expenses from the funds of the commission.~~

4 ~~The commission shall adopt a seal.~~

5 ~~The commission shall adopt bylaws, rules, and regulations for the conduct of its business,~~  
6 ~~and shall have the power to amend and rescind these bylaws, rules the regulations.~~

7 ~~The commission shall establish and maintain an office at the same location as the office~~  
8 ~~maintained by the Secretariat for the transaction of its business and may meet at any time, but in~~  
9 ~~any event must meet at least once a year. The chairman may call additional meetings and upon the~~  
10 ~~request of a majority of the commissioners of three or more of the compacting states shall call an~~  
11 ~~additional meeting.~~

12 ~~The commission annually shall make the governor and legislature of each compacting state~~  
13 ~~a report covering its activities for the preceding year.~~

14 ~~Any donation or grant accepted by the commission or services borrowed shall be reported~~  
15 ~~in the annual report of the commission and shall include the nature, amount and conditions, if any,~~  
16 ~~of the donation, gift or services borrowed and the identity of the donor or lender.~~

17 ~~The commission may make additional reports as it may deem desirable.~~

## 18 ~~ARTICLE VII~~

### 19 ~~COMMITTEES~~

20 ~~The commission will establish such committees as it deems necessary, including, but not~~  
21 ~~limited to, the following:~~

22 ~~(1) An executive committee which functions when the full commission is not meeting, as~~  
23 ~~provided in the bylaws of the commission. The executive committee will ensure that proper~~  
24 ~~procedures are followed in implementing the commission's programs and in carrying out the~~  
25 ~~activities of the compact.~~

26 ~~The executive committee shall be elected by vote of the commission. It shall be comprised~~  
27 ~~of at least three and no more than nine commissioners, selected from those commissioners who are~~  
28 ~~representatives of the governor of their respective state.~~

29 ~~(2) A rules development committee appointed by the commission.~~

30 ~~The Committee shall be consensus based and consist of not less than 7 nor more than 21~~  
31 ~~members.~~

32 ~~Committee members will include state building regulatory officials; manufacturers of~~  
33 ~~industrialized/modular buildings; private, third party inspection agencies; and consumers. This~~  
34 ~~committee may recommend procedures which state and local officials, and other parties, in one~~

1 ~~state, may utilize to assure state and local officials, and in other parties, in other states, of the~~  
2 ~~substantial compliance of industrialized/modular building construction with the construction~~  
3 ~~standard requirements of such other states; to assess the adequacy of building systems; and to verify~~  
4 ~~and assure the competency and performance of evaluation and inspection agencies. This committee~~  
5 ~~may also recommend construction standards for the design, manufacture, handling, storage,~~  
6 ~~delivery and installation of industrialized/modular buildings and building components. The~~  
7 ~~committee will submit its recommendations to the commission, for the commission's consideration~~  
8 ~~in adopting and amending the uniform administrative procedures and the model rules and~~  
9 ~~regulations for industrialized/modular buildings. The committee may also review the regulatory~~  
10 ~~programs of the compacting states to determine whether those programs are consistent with the~~  
11 ~~uniform administrative procedures or the model rules and regulations for industrialized/modular~~  
12 ~~buildings and may make recommendations concerning the states' programs to the commission. In~~  
13 ~~carrying out its functions, the rules committee may conduct public hearings and otherwise solicit~~  
14 ~~public input and comment.~~

15 ~~(3) Any other advisory, coordinating or technical committees, membership on which may~~  
16 ~~include private persons, public officials, associations or organizations. Such committees may~~  
17 ~~consider any matter of concern to the commission.~~

18 ~~(4) Such additional committees as the commission's bylaws may provide.~~

## 19 ~~ARTICLE VIII~~

### 20 ~~POWER AND AUTHORITY~~

21 ~~In addition to the powers conferred elsewhere in this compact, the commission shall have~~  
22 ~~power to:~~

23 ~~(1) Collect, analyze and disseminate information relating to industrialized/modular~~  
24 ~~buildings.~~

25 ~~(2) Undertake studies of existing laws, codes, rules and regulations, and administrative~~  
26 ~~practices of the states relating to industrialized/modular buildings.~~

27 ~~(3) Assist and support committees and organizations which promulgate, maintain and~~  
28 ~~update model codes or recommendations for uniform administrative procedures or model rules and~~  
29 ~~regulations for industrialized/modular buildings.~~

30 ~~(4) Adopt and amend uniform administrative procedures and model rules and regulations~~  
31 ~~for industrialized/modular buildings.~~

32 ~~(5) Make recommendations to compacting states for the purpose of bringing such states'~~  
33 ~~laws, codes, rules and regulations and administrative practices into conformance with the uniform~~  
34 ~~administrative practices into conformance with the uniform administrative procedures or the model~~

1 ~~rules and regulations for industrialized/modular buildings, provided that such recommendations~~  
2 ~~shall be made to the appropriate state agency with due consideration for the desirability of~~  
3 ~~uniformity while also giving appropriate consideration to special circumstances which may justify~~  
4 ~~variations necessary to meet unique local conditions.~~

5 ~~(6) Assist and support the compacting states with monitoring of plan review programs and~~  
6 ~~inspection programs, which will assure that the compacting states have the benefit of uniform~~  
7 ~~industrialized/modular building plan review and inspection programs.~~

8 ~~(7) Assist and support organizations which train state and local government and other~~  
9 ~~program personnel in the use of uniform industrialized/modular building plan review and~~  
10 ~~inspection programs.~~

11 ~~(8) Encourage and promote coordination of state regulatory action relating to~~  
12 ~~manufacturers, public or private inspection programs.~~

13 ~~(9) Create and sell labels to be affixed to industrialized/modular building units, constructed~~  
14 ~~in or regulated by compacting states, where such labels will evidence compliance with the model~~  
15 ~~rules and regulations for industrialized/modular buildings, enforced in accordance with the uniform~~  
16 ~~administrative procedures. The commission may use receipts from the sale of labels to help defray~~  
17 ~~the operating expenses of the commission.~~

18 ~~(10) Assist and support compacting states' investigations into and resolutions of consumer~~  
19 ~~complaints which relate to industrialized/modular buildings constructed in one compacting state~~  
20 ~~and sited in another compacting state.~~

21 ~~(11) Borrow, accept or contract for the services of personnel from any state or the United~~  
22 ~~States or any subdivision or agency thereof, from any interstate agency, or from any institution,~~  
23 ~~association, person, firm or corporation.~~

24 ~~(12) Accept for any of its purposes and functions under this compact any and all donations,~~  
25 ~~and grants of money, equipment, supplies, materials and services (conditional or otherwise) from~~  
26 ~~any state or the United States or any subdivision or agency thereof, from any interstate agency, or~~  
27 ~~from any institution, person, firm or corporation, and may receive, utilize and dispose of the same.~~

28 ~~(13) Establish and maintain such facilities as may be necessary for the transacting of its~~  
29 ~~business.~~

30 ~~The commission may acquire, hold, and convey real and personal property and any interest~~  
31 ~~therein.~~

32 ~~(14) Enter into contracts and agreements, including but not limited to, interim reciprocal~~  
33 ~~agreements with noncompacting states.~~

34 ~~ARTICLE IX~~

1 FINANCE

2 ~~The commission shall submit to the governor or designated officer or officers of each~~  
3 ~~compacting state a budget of its estimated expenditures for such period as may be required by the~~  
4 ~~laws of that state for presentation to the legislature thereof.~~

5 ~~Each of the commission's budgets of estimated expenditures shall contain specific~~  
6 ~~recommendations of the amounts to be appropriated by each of the compacting states. Said state~~  
7 ~~appropriation shall be paid from fees received from the manufacturers and third party agents and~~  
8 ~~deposited in the state building commissioner's restricted receipt account. The total amount of~~  
9 ~~appropriations requested under any such budget shall be apportioned among the compacting states~~  
10 ~~as follows: one half in equal shares; one fourth among the compacting states in accordance with~~  
11 ~~the ratio of their populations to the total population of the compacting states, based on the last~~  
12 ~~decennial federal census; and one fourth among the compacting states in accordance with the ratio~~  
13 ~~of industrialized/modular building units manufactured in each state to the total of all units~~  
14 ~~manufactured in all of the compacting states.~~

15 ~~The commission shall not pledge the credit of any compacting state. The commission may~~  
16 ~~meet any of its obligations in whole or in part with funds available to it by donations, grants, or~~  
17 ~~sale of labels: provided that the commission takes specific action setting aside such funds prior to~~  
18 ~~incurring any obligation to be met in whole or in part in such manner.~~

19 ~~Except where the commission makes use of funds available to it by donations, grants or~~  
20 ~~sale of labels, the commission shall not incur any obligation prior to the allotment of funds by the~~  
21 ~~compacting states adequate to meet the same.~~

22 ~~The commission shall keep accurate accounts of all receipts and disbursements. The~~  
23 ~~receipts and disbursements of the commission shall be subject to the audit and accounting~~  
24 ~~procedures established under its bylaws. All receipts and disbursement of funds handled by the~~  
25 ~~commission shall be audited yearly by a certified or licensed public accountant and the report of~~  
26 ~~the audit shall be included in and become part of the annual report of the commission.~~

27 ~~The accounts of the commission shall be open at any reasonable time for inspection by~~  
28 ~~duly constituted officers of the compacting states and any person authorized by the commission.~~  
29 ~~Nothing contained in this Article shall be construed to prevent commission compliance relating to~~  
30 ~~audit or inspection of accounts by or on behalf of any government contributing to the support of~~  
31 ~~the commission.~~

32 ARTICLE X

33 ENTRY INTO FORCE AND WITHDRAWAL

34 ~~This compact shall enter into force when enacted into law by any three states. Thereafter,~~



1 ~~this compact shall become effective as to any other state upon its enactment thereof. The~~  
2 ~~commission shall arrange for notification of all compacting states whenever there is a new~~  
3 ~~enactment of the compact.~~

4 ~~Any compacting state may withdraw from this compact by enacting a statute repealing the~~  
5 ~~same.~~

6 ~~No withdrawal shall affect any liability already incurred by or chargeable to a compacting~~  
7 ~~state prior to the time of such withdrawal.~~

8 ~~ARTICLE XI~~

9 ~~RECIPROCITY~~

10 ~~If the commission determines that the standards for industrialized/modular buildings~~  
11 ~~prescribed by statute, rule or regulation of compacting state are at least equal to the commission's~~  
12 ~~model rules and regulations for industrialized/modular buildings, and that such state standards are~~  
13 ~~enforced by the compacting state in accordance with the uniform administrative procedures,~~  
14 ~~industrialized/modular buildings approved by such a compacting state shall be deemed to have been~~  
15 ~~approved by all the compacting states for placement in those states in accordance with procedures~~  
16 ~~prescribed by the commission.~~

17 ~~ARTICLE XII~~

18 ~~EFFECT ON OTHER LAWS AND JURISDICTION~~

19 ~~Nothing in this compact shall be construed to:~~

20 ~~(1) Withdraw or limit the jurisdiction of any state or local court or administrative officer~~  
21 ~~or body with respect to any person, corporation or other entity or subject matter, except to the extent~~  
22 ~~that such jurisdiction pursuant to this compact, is expressly conferred upon another agency or body.~~

23 ~~(2) Supersede or limit the jurisdiction of any court of the United States.~~

24 ~~ARTICLE XIII~~

25 ~~CONSTRUCTION AND SEVERABILITY~~

26 ~~This compact shall be liberally construed so as to effectuate the purposes thereof.~~

27 ~~The provisions of this compact shall be severable and if any phrase, clause, sentence or~~  
28 ~~provision of this compact is declared to be contrary to the constitution of any state or of the United~~  
29 ~~States or the applicability thereof to any government, agency, person or circumstances is held~~  
30 ~~invalid, the validity of the remainder of this compact and the applicability thereof to any~~  
31 ~~government, agency, person or circumstance shall not be affected thereby. If this compact shall be~~  
32 ~~held contrary to the constitution of any state participating therein, the compact shall remain in full~~  
33 ~~force and effect as to the remaining party states and in full force and effect as to the state affected~~  
34 ~~as to all severable matters.~~

1 SECTION 2. This act shall take effect upon passage.

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LC004390  
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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF

A N A C T

RELATING TO HEALTH AND SAFETY -- INTERSTATE COMPACT ON  
INDUSTRIALIZED/MODULAR BUILDINGS

\*\*\*

- 1           This act would repeal the Interstate Compact on Industrialized/Modular Buildings in its  
2   entirety.  
3           This act would take effect upon passage.

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LC004390  
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