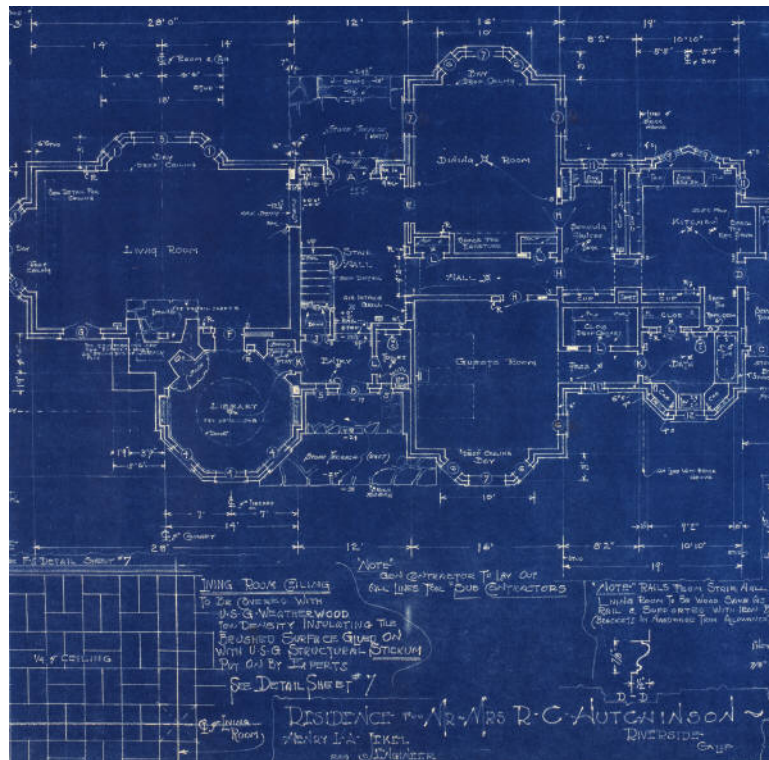


MODEL RULES & REGULATIONS



ADOPTED JULY 2007

These construction standards have been adopted by the Commission (after consideration of any recommendations from the rules development committee) to govern the design, manufacture, handling, storage, delivery, and installation of industrialized/modular buildings and building components.

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PART I. PURPOSE, OBJECTIVE, AND SCOPE

SECTION 1. PURPOSE

(A) The purpose of this document is to provide model rules and regulations for a participating state to adopt to effectively implement the Interstate Compact on Industrialized/Modular Buildings. The adoption of these Model Rules and Regulations by the participating state will create uniformity in the compliance requirements of individual states; promote the use of new technologies, techniques, and materials; and increase the availability of safe, decent, and affordable housing and other building occupancies.

(B) No approval, ruling, action, order, or notice issued in accordance with rules in effect prior to the effective date of the adoption to these Model Rules and Regulations shall be rendered invalid or unenforceable by reason of the adoption of these rules or the appeal of rules superseded by these Model Rules and Regulations. Any approval issued in accordance with rules in effect prior to the effective date of the adoption of these Model Rules and Regulations shall continue in effect for the period for which it was granted, but any subsequent approval shall be in accordance with these Model Rules and Regulations.

SECTION 2. OBJECTIVE

To provide model rules and regulations pursuant to the findings and declarations of the Interstate Compact on Industrialized/Modular Buildings, as stated below.

(A) The state finds that:

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

(2) The regulation of industrialized/modular buildings varies from state to state and locality to locality, which creates confusion and burdens state and local building officials and the industrialized/modular buildings industry.

(3) Regulation by multiple jurisdictions imposes additional costs, which are ultimately borne by the owners and users of industrialized/modular buildings; restricts market access; and discourages the development and incorporation of new technologies.

(B) It is the policy of the Commission to:

(1) Provide the states which regulate the design and construction of industrialized/modular buildings and building components with a system to coordinate and uniformly administer their rules and regulations for such buildings, all in a manner to assure mutual acceptance of industrialized/modular buildings and building components.

(2) Provide to Congress assurances that would preclude the need for a voluntary preemptive federal regulatory system for industrialized/modular housing, as outlined in Section 572 of the Housing and Community Development Act of 1987, including development of model standards for industrialized/modular housing construction, such that design and performance will insure quality, durability, and safety; will be in accordance with cost-effective energy conservation standards; all to promote the lowest total construction and operating costs over the life of such housing.

SECTION 3. SCOPE

(A) **Applicability** - These Model Rules and Regulations govern the design, manufacture, handling, storage, delivery, and installation of industrialized/modular buildings and building components intended for installation in a participating state. Industrialized/modular buildings or building components certified pursuant to these Model Rules and Regulations may be sold for, delivered to, or installed on building sites located in any such participating state. Industrialized/modular buildings that are not required to be labeled or comply with code

approval under state law, are exempt from these Model Rules and Regulations.

(B) **Preemption** – When a participating state adopts these Model Rules and Regulations and the Uniform Administrative Procedures, industrialized/ modular buildings or building components certified pursuant to the Uniform Administrative Procedures shall be deemed to comply with the requirements of the participating state's laws, ordinances, rules, and regulations which govern the matters within the scope of the approval and certification of industrialized/ modular buildings and building components, regardless of the provisions of any other such law, ordinance, rule, or regulation.

(C) **Applicability of Local Law**

(1) Land use and zoning requirements; building set-back requirements; side and rear yard requirements; property line requirements; and on-site development, on-site construction, and on-site inspection requirements are specifically and entirely reserved to the local government, except as provided by or pursuant to these model rules and regulations, provided that such standards are not more stringent than those imposed on other types of buildings in the area.

(2) In areas of the state where special environmental conditions exist which require special or different building standards pursuant to Part III, Section 2 hereof, local government may prescribe such standards for those parts of the site development, foundation, and other site work for which responsibility is vested in local government pursuant to Subsection C(1) of this Section, provided that such standards are not more stringent than those imposed on other types of buildings in the area.

PART II. DEFINITIONS

Wherever used or referred to in these Model Rules and Regulations, the terms below shall have the meanings assigned to them unless a different meaning is clearly indicated by the context.

"ACT" means the laws of the participating state governing industrialized/modular construction as amended and supplemented by the enabling legislation of the Interstate Compact on Industrialized/Modular Buildings.

"APPROVED" means approved by the Industrialized Buildings Commission, a participating state, or a designated evaluation/inspection agency.

"BUILDING COMPONENT" means any subsystem, subassembly, or other system of closed construction designed for use in or as part of a structure, which may include structural, electrical, mechanical, plumbing, and fire protection systems and other systems affecting health and safety.

"BUILDING SYSTEM" means the method of constructing a type of industrialized/modular building or building component described by plans, specifications, and other documentation which together establish a set of limits meeting the building codes, standards, and other requirements of these regulations for that type of industrialized/modular building or building component, which may include structural, electrical, mechanical, plumbing, and fire protection systems and other systems affecting health and safety.

"CERTIFICATION" means the process by which participating states and local building inspection agencies are assured that elements of closed construction, not practical to inspect at the building site, conform to the building codes.

"CERTIFICATION LABEL" means an approved insignia or seal evidencing certification in

accordance with the Uniform Administrative Procedures.

"CLOSED CONSTRUCTION" means any building, building component, assembly, or system manufactured in such a manner that concealed parts or processes of manufacture cannot be inspected at the building site without disassembly, damage, or destruction. The definition shall not include products, such as structural, electrical, and plumbing fixtures and equipment which are tested, listed, labeled, and certified by a nationally recognized testing laboratory.

"CODE" means the codes, standards, specifications, and requirements adopted pursuant to Part III, Section 2 of these Model Rules and Regulations.

"COMMISSION" means the Industrialized Buildings Commission.

"COMPLIANCE ASSURANCE DOCUMENTS" means approved building system documents, an approved compliance assurance manual, and approved on-site installation instructions.

"COMPLIANCE ASSURANCE PROGRAM" means the policies and procedures which assure that industrialized/modular buildings and building components, including their manufacture, storage, delivery, assembly, handling, and installation, conform with these Model Rules and Regulations and the Uniform Administrative Procedures.

"DESIGNATED" means selected by the Commission to perform one (1) or more of the inspection and/or evaluation functions described under the Uniform Administrative Procedures.

"EVALUATION AGENCY" means a designated person or organization, private or public, determined by the Commission to be qualified by reason of facilities, personnel, experience, and

demonstrated reliability and independence of judgment, to investigate and evaluate industrialized/modular buildings, building components, building systems, or compliance assurance programs.

"INDEPENDENCE OF JUDGMENT" means not being affiliated with or influenced or controlled by building manufacturers or by producers, suppliers, or vendors of products or equipment used in industrialized/modular buildings and building components, in any manner which is likely to affect capacity to render reports and findings objectively and without bias.

"INDUSTRIALIZED/MODULAR BUILDING" means any building of closed construction; i.e., constructed in such a manner that concealed parts or processes of manufacture cannot be inspected at the site, without disassembly, damage, or destruction, and which is made or assembled in manufacturing facilities, off the building site, for installation, or assembly and installation, on the building site.

"Industrialized/modular building" includes, but is not limited to, modular housing which is factory-built single-family and multi-family housing (including closed wall panelized housing) and other modular, nonresidential buildings. "Industrialized/modular building" does not include any structure subject to the requirements of the National Manufactured Home Construction and Safety Standards Act of 1974.

"INSPECTION AGENCY" means a designated person or organization, private or public, who is determined by the Commission to be qualified by reason of facilities, personnel, experience, and demonstrated reliability and independence of judgment, to monitor compliance assurance programs.

"INSTALLATION" means the process of affixing, or assembling and affixing, industrialized/modular buildings or building components on the building site.

"INTERIM RECIPROCAL AGREEMENT" means a formal reciprocity agreement as defined in the enabling legislation of the Interstate Compact on Industrialized/Modular Buildings.

"LOCAL ENFORCEMENT AGENCY" means the agency or agencies of the participating states or local government with authority to inspect buildings and enforce the law, ordinances, and regulations which establish standards and requirements applicable to the construction, installation, alteration, repair, or relocation of buildings.

"MODULE" means a closed wall structure or substantial part of a closed wall structure incorporating one or more rooms used as habitable, occupiable, or mechanical/equipment space.

"NONCONFORMANCE" means the failure to adhere to the requirements of an approved building system, or where the building system is not specific, to the code.

"PARTICIPATING STATE" means any compacting state or any non-compacting state acting under the purview of an interim reciprocal agreement.

PART III. STANDARDS

SECTION 1. APPLICABILITY

No person/agency shall be allowed to deliver, sell, lease, or install any industrialized/modular building or building component in the participating state unless such industrialized/modular building or building component is certified in accordance with the requirements of the Model Rules and Regulations.

SECTION 2. STANDARDS, SPECIFICATIONS, AND REQUIREMENTS ADOPTED

Building systems shall comply with

[The actual standards to be used are to be inserted here. To the extent practicable, the standards and requirements established shall allow designs in terms of performance objectives, so as to facilitate the use of new technologies, techniques, and materials. In establishing such standards, specifications, and requirements, nationally recognized codes and standards, shall be considered and may be adopted.

Such codes and standards should be adopted without amendments. Any amendments in the adopted codes and standards shall be submitted, with the reasons therefor, for consideration by the appropriate organization for amendment of the code or standard.]

(A) **Alternates** - The provisions of these Model Rules and Regulations are not intended to prevent the use of any technologies, techniques, or materials not specifically prescribed by the codes, standards, specifications, and requirements, provided any such alternate has been approved.

In order to obtain approval for such alternate, an application shall be filed in writing with the evaluation agency. The application shall contain the current requirements of the codes, standards, or specifications from which an alternate is sought and a statement of how the alternate to these requirements would adequately protect the health, safety, and welfare of the occupants and the general public.

The evaluation agency may approve any such alternate provided it determines that the proposed design is satisfactory, and that the material, method, or work offered is, for the purpose intended, consistent with the adopted codes and standards, including quality, strength, effectiveness, fire resistance, durability, and safety. The evaluation agency shall require that sufficient evidence or proof be submitted to substantiate any claim that may be made regarding the use of any such alternate. The evaluation agency shall notify the applicant of the determination. If the application is denied, the notification shall state the reasons therefor.

(B) **Special Environmental Conditions** - The participating state shall maintain appropriate information indicating those areas of the participating state which it has established as having special environmental conditions such as snow, wind loads, seismic conditions, temperature, humidity, and soil conditions requiring special or different building standards. Such information shall be available for public inspection.

PART IV. STATE RESPONSIBILITIES RELATIVE TO UNIFORM ADMINISTRATIVE PROCEDURES

SECTION 1. UNIFORM ADMINISTRATIVE PROCEDURES

The Uniform Administrative Procedures, hereby incorporated by reference, shall constitute the procedures by which the participating state will assure itself and the Commission of the substantial compliance of industrialized/modular building construction with the codes of the participating state; to assess the adequacy of the building systems; and to verify and assure the competency and performance of evaluation and inspection agencies.

SECTION 2. APPROVAL OF EVALUATION AND INSPECTION AGENCIES

The participating state shall approve those evaluation or inspection agencies which the Commission designated as meeting the requirements of Part VI, Section 1, of the Uniform Administrative Procedures and which the Commission finds otherwise qualified to perform the functions proposed to be delegated to the agencies by the state.

SECTION 3. ENFORCEMENT ACTION

If, pursuant to the Uniform Administrative Procedures, the Commission determines that a manufacturer, inspection agency, or evaluation agency has failed to fulfill its responsibilities under the Uniform Administrative Procedures, the Commission shall forward such determination to the participating state(s) with the Commission's recommendation as to the enforcement action to be taken against such manufacturer, inspection agency, or evaluation agency.

SECTION 4. NOTIFICATION

Any action taken pursuant to this Part shall be in writing and served on any affected party by certified mail return receipt.

PART V. APPEALS

SECTION 1. APPLICATION FOR APPEAL

(A) **Who May File** – Any person, firm, or corporation aggrieved by any decision of, or action undertaken pursuant to Sections 2 or 3 of Part IV of these Model Rules and Regulations may file an application for appeal.

(B) **Time of Filing** – A notice of appeal shall be filed within thirty (30) calendar days after the date of receipt of notice on the decision or action from which the appeal is being taken.

(C) **Filing** – The notice of appeal may be filed either in person or by certified mail at the principal office of the [insert name of state agency].

(D) **Form of Application** – The application shall be in writing and shall contain sufficient information, as set forth in Subsection (E) hereof, to apprise the [insert name of state agency] of the decision or action being appealed, and the facts and circumstances surrounding the decision or action being appealed.

(E) **Contents of Application** – The application shall include, where applicable, the following documentation:

- (1) A copy of the decision, direction, or order which is the subject of the appeal.
- (2) A copy of the building system, compliance assurance program, or other document involved, if any.
- (3) A statement of the relief sought by the appellant.
- (4) The application shall contain a copy of any prior decision or other action of the Commission on such appeal, where a hearing has already been conducted pursuant to the Uniform Administrative Procedures.

SECTION 2. HEARINGS AND HEARING NOTICES

A hearing on an appeal shall be held no sooner than ten (10) calendar days nor later than thirty (30) calendar days after receipt of application for

appeal by [insert name of state agency]. The [insert name of state agency] shall notify the appellant in writing and provide public notice of such hearing. Such notice shall state the legal authority for, the nature of the hearing, and the time, date, and place thereof.

SECTION 3. CONDUCT OF HEARINGS

All hearings shall be conducted by [insert name of state appeals tribunal] and comply with this Section.

(A) **Appearances** – Any designated person may appear and represent the appellant where such representation is in accordance with the law.

(B) **Adjournment** – The [insert name of state agency] or hearing officer may, on its own motion, or on the motion of any person, adjourn a hearing to such time and place as it may determine.

(C) **Witnesses** – A person may present such witnesses as deemed appropriate and cross-examine witnesses presented to other persons.

(D) **Evidence** – The [insert name of state agency] or hearing officer shall consider in evidence any testimony, documents, or other materials submitted by the appellant or the appellee, including the results of formal or informal appeals before national codes and standards organizations or national codes and standards appeals organizations. Where the appellant has already been heard, on the matter being appealed, by the Commission pursuant to Part XII of the Uniform Administrative Procedures, then any findings of fact made by the Commission shall be accorded a rebuttable presumption of validity.

(E) **Applicability** – These procedures shall be in addition to, rather than in place of, any due process rights conferred by state law of general applicability.

(F) **Decision** - The decision shall be in writing and served on all affected parties by certified mail return receipt. The decision shall be final upon receipt or five (5) calendar days after mailing, whichever occurs first.