

2024 -- S 2800

LC004392

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: Senator V. Susan Sosnowski

Date Introduced: March 22, 2024

Referred To: Senate Commerce

(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2 Compact on Industrialized/Modular Buildings" is hereby repealed.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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LC004392  
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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

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- 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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LC004392  
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