

32:33-1

LEGISLATIVE HISTORY CHECKLIST
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(Interstate Compact on
Industrialized/Modular
Buildings)

NJSA: 32:33-1

LAWS OF: 1991

CHAPTER: 457

BILL NO: S3385

SPONSOR(S): Orechio

DATE INTRODUCED: April 25, 1991

COMMITTEE: ASSEMBLY: Housing

SENATE: County & Municipal Government

AMENDED DURING PASSAGE: Yes Amendments during passage denoted by
asterisks

DATE OF PASSAGE: ASSEMBLY: January 9, 1992

SENATE: July 15, 1991

DATE OF APPROVAL: January 18, 1992

FOLLOWING STATEMENTS ARE ATTACHED IF AVAILABLE:

SPONSOR STATEMENT: Yes

COMMITTEE STATEMENT: ASSEMBLY: Yes

SENATE: Yes

FISCAL NOTE: No

VETO MESSAGE: No

MESSAGE ON SIGNING: No

FOLLOWING WERE PRINTED:

REPORTS: No

HEARINGS: No

KBG/pp

[SECOND REPRINT]

SENATE, No. 3385

STATE OF NEW JERSEY

INTRODUCED APRIL 25, 1991

By Senators ORECHIO and COWAN

1 AN ACT ratifying the Interstate Compact on
2 Industrialized/Modular Buildings and supplementing Title 52 of
3 the Revised Statutes.

4
5 BE IT ENACTED by the Senate and General Assembly of the
6 State of New Jersey:

7
8 ARTICLE I. FINDINGS AND DECLARATION OF POLICY

9
10 1. a. The compacting states find that:

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

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

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

23 b. It is the policy of each of the compacting states to:

24 (1) Provide the states which regulate the design and
25 construction of industrialized/modular buildings with a program
26 to coordinate and uniformly adopt and administer the ¹[states;]
27 states'¹ rules and regulations for such buildings, all in a manner
28 to assure interstate reciprocity.

29 (2) Provide to the United States Congress assurances that
30 would preclude the need for a voluntary preemptive federal
31 regulatory system for modular housing, as outlined in Section 572
32 of the Housing and Community Development Act of 1987,
33 Pub.L.100-242, including development of model standards for
34 modular housing construction, such that design and performance
35 will insure quality, durability and safety; ¹and¹ will be in
36 accordance with ²[life-cycle]² cost-effective energy
37 conservation standards; all to promote the lowest total
38 construction and operating costs over the life of such housing.

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in the
above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

Matter enclosed in superscript numerals has been adopted as follows:

¹ Senate SCM committee amendments adopted May 13, 1991.

² Assembly AHO committee amendments adopted November 25, 1991.

ARTICLE II. DEFINITIONS

2. As used in this compact, unless the context clearly requires otherwise:

"Commission" means the Interstate Industrialized/Modular Buildings Commission.

"Industrialized/modular building" means any building which is of closed construction; that is, 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 multifamily 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 (42 U.S.C. §5401).

"Interim reciprocal agreement" means a formal reciprocity agreement between a noncompacting state wherein the noncompacting state agrees that labels evidencing compliance with the model rules and regulations for industrialized/modular buildings, as authorized in Article VIII, section ¹[(9)] 8.1, shall be accepted by the state and its subdivisions to permit installation and use of industrialized/modular buildings. Further, the noncompacting state agrees that by legislation or regulation, and appropriate enforcement by uniform administrative procedures, the noncompacting state requires all industrialized/modular building manufacturers within that state to comply with the model rules and regulations for industrialized/modular buildings.

"Model rules and regulations for industrialized/modular buildings" means the construction standards adopted by the commission, after consideration of any recommendations from the rules development committee, which govern the design, manufacture, handling, storage, delivery and installation of industrialized/modular buildings and building components. The construction standards and any amendments thereof shall conform insofar as practicable to model building codes and referenced standards generally accepted and in use throughout the United States.

"State" means a state of the United States, territory or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

"Uniform administrative procedures" means the procedures adopted by the commission, after consideration of any recommendations from the rules development committee, which state and local officials and other parties in one state will utilize

1 to assure state and local officials and other parties in other
2 states of the substantial compliance of industrialized/modular
3 building construction with the construction standard of
4 requirements of those other states; to assess the adequacy of
5 building systems; and to verify and assure the competency and
6 performance of evaluation and inspection agencies.

7
8 ARTICLE III. CREATION OF COMMISSION

9
10 3. The compacting states hereby create the Interstate
11 Industrialized/Modular Buildings Commission. The commission
12 shall be a body corporate of each compacting state and an agency
13 thereof. The commission shall have all the powers and duties set
14 forth herein and such additional powers as may be conferred upon
15 it by subsequent action of the respective legislatures of the
16 compacting states.

17
18 ARTICLE IV. SELECTION OF COMMISSIONERS

19
20 4. The commission shall be selected as follows:

21 a. As each state becomes a compacting state, one resident
22 shall be appointed as commissioner. The commissioner shall be
23 selected by the governor of the compacting state, being
24 designated from the state agency charged with regulating
25 industrialized/modular buildings or, if a state agency does not
26 exist, being designated from among those building officials with
27 the most appropriate responsibilities in the state. The
28 commissioner may designate another official as an alternate to
29 act on behalf of the commissioner at commission meetings which
30 the commissioner is unable to attend.

31 b. Each state commissioner shall be appointed, suspended, or
32 removed and shall serve subject to and in accordance with the
33 laws of the state which the commissioner represents; and each
34 vacancy occurring shall be filled in accordance with the laws of
35 the state wherein the vacancy exists.

36 c. When three state commissioners have been appointed in the
37 manner described, those state commissioners shall select one
38 additional commissioner who shall be a representative of
39 manufacturers of industrial- or commercial-use
40 industrialized/modular buildings. When six state commissioners
41 have been appointed in the manner described, the state
42 commissioners shall select a second additional commissioner who
43 shall be a representative of consumers of industrialized/modular
44 buildings. With each addition of three state commissioners, the
45 state commissioners shall appoint one additional representative
46 commissioner, alternating between a representative of
47 manufacturers of industrialized/modular buildings and consumers
48 of industrialized/modular buildings. The ratio between state

1 commissioners and representative commissioners shall be three to
2 one.

3 d. In the event states withdraw from the compact or, for any
4 other reason, the number of state commissioners is reduced, the
5 state commissioners shall remove the last added representative
6 commissioner as necessary to maintain a ratio of state
7 commissioners to representative commissioners of three to one.

8 e. Upon a majority vote of the state commissioners, the state
9 commissioners may remove, fill a vacancy created by, or replace
10 any representative commissioner, provided that any replacement
11 is made from the same representative group and a three to one
12 ratio is maintained. Unless provided otherwise, the
13 representative commissioners ¹shall¹ have the same authority
14 and responsibility as the state commissioners.

15 f. In addition, the commission may have as a member one
16 commissioner representing the United States government if
17 federal law ¹[authorized] authorizes¹ such representation. This
18 commissioner shall not vote on matters before the commission.
19 The commissioner shall be appointed by the President of the
20 United States, or in another manner as may be provided by
21 Congress.

22

23

ARTICLE V. VOTING

24

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

31

32

ARTICLE VI. ORGANIZATION AND MANAGEMENT

33

34 6. a. The commission shall:

35 (1) Elect annually, from among its members, a chairman, a
36 vice chairman and a treasurer, and select a secretariat, which
37 shall provide an individual who shall serve as secretary of the
38 commission. The commission shall fix and determine the duties
39 and compensation of the secretariat.

40 (2) Adopt a seal.

41 (3) Adopt bylaws, rules, and regulations for the conduct of its
42 business, and shall have the power to amend and rescind these
43 bylaws, rules and regulations.

44 (4) Establish and maintain an office at the same location as
45 the office maintained by the secretariat for the transaction of its
46 business and may meet at any time, but in any event must meet
47 at least once a year. The chairman may call additional meetings
48 and upon the request of a majority of the commissioners of three

1 or more of the compacting states shall call an additional meeting.

2 (5) Annually ¹[make] report to¹ the governor and legislature of
3 each compacting state ¹[a report covering] regarding¹ its
4 activities for the preceding year. Any donation or grant accepted
5 by the commission or services borrowed shall include the nature,
6 amount and conditions, if any, of the donation, gift, grant or
7 services borrowed and the identity of the donor or lender. The
8 commission may make additional reports as it may deem
9 desirable.

10 b. The commissioners shall serve without compensation, but
11 shall be reimbursed for their actual and necessary expenses from
12 the fund of the commission.

13

14 ARTICLE VII. COMMITTEES

15

16 7. The commission ¹[will] shall¹ establish such committees as
17 it deems necessary, including, but not limited to, the following:

18 a. An executive committee which functions when the full
19 commission is not meeting, as provided in the bylaws of the
20 commission. The executive committee ¹[will] shall¹ ensure that
21 proper procedures are followed in implementing the commission's
22 programs and in carrying out the activities of the compact. The
23 executive committee shall be elected by vote of the commission.
24 It shall be comprised of at least three and no more than nine
25 commissioners, selected from those commissioners who are
26 representatives of the governor of their respective ¹[state]
27 states¹.

28 b. A rules development committee appointed by the
29 commission. The committee shall be consensus-based and consist
30 of not less than seven nor more than 21 members. Committee
31 members ¹[will] shall¹ include state building regulatory officials;
32 manufacturers of industrialized/modular buildings; private,
33 third-party inspection agencies; and consumers. This committee
34 may recommend procedures which state and local officials, and
35 other parties, in one state, may utilize to assure state and local
36 officials, and other parties, in other states, of the substantial
37 compliance of industrialized/modular building construction with
38 the construction standard requirements of those other states; to
39 assess the adequacy of building systems; and to verify and assure
40 the competency and performance of evaluation and inspection
41 agencies. This committee may also recommend construction
42 standards for the design, manufacture, handling, storage, delivery
43 and installation of industrialized/modular buildings and building
44 components. The committee ¹[will] shall¹ submit its
45 recommendations to the commission, for the commission's
46 consideration in adopting and amending the uniform
47 administrative procedures and the model rules and regulations for
48 industrialized/modular buildings. The committee may also review

1 the regulatory programs of the compacting states to determine
2 whether those programs are consistent with the uniform
3 administrative procedures or the model rules and regulations for
4 industrialized/modular buildings and may make recommendations
5 concerning the ¹[states] states' ¹ programs to the commission. In
6 carrying out its functions, the rules committee may conduct
7 public hearings and otherwise solicit public input and comment.

8 c. Any other advisory, coordinating or technical committees,
9 membership of which may include private persons, public
10 officials, associations or organizations. These committees may
11 consider any matter of concern to the commission.

12 d. Any additional committees that the commission's bylaws
13 may provide for.

14 15 ARTICLE VIII. POWER AND AUTHORITY

16
17 8. In addition to the powers conferred elsewhere in this
18 compact, the commission shall have power to:

19 a. Collect, analyze and disseminate information relating to
20 industrialized/modular buildings.

21 b. Undertake studies of existing laws, codes, rules and
22 regulations, and administrative practices of the states relating to
23 industrialized/modular buildings.

24 c. Assist and support committees and organizations which
25 promulgate, maintain and update model codes or
26 recommendations for uniform administrative procedures or model
27 rules and regulations for industrialized/modular buildings.

28 d. Adopt and amend uniform administrative procedures and
29 model rules and regulations for industrialized/modular buildings.

30 e. Make recommendations to compacting states for the
31 purpose of bringing those states' laws, codes, rules and
32 regulations and administrative practices into conformance with
33 the uniform administrative procedures or the model rules and
34 regulations for industrialized/modular buildings, provided that
35 these recommendations shall be made to the appropriate state
36 agency with due consideration for the desirability of uniformity
37 while also giving appropriate consideration to special
38 circumstances which may justify variations necessary to meet
39 unique local conditions.

40 f. Assist and support the compacting states with monitoring of
41 plan review ¹[programs]¹ and inspection programs, which will
42 assure that the compacting states have the benefit of uniform
43 industrialized/modular building plan review and inspection
44 programs.

45 g. Assist and support organizations which train state and local
46 government and other program personnel in the use of uniform
47 industrialized/modular building plan review and inspection
48 programs.

1 h. Encourage and promote coordination of state regulatory
2 action relating to manufacturers, public or private inspection
3 programs.

4 i. Create and sell labels to be affixed to
5 industrialized/modular building units, constructed in or regulated
6 by compacting states, where these labels will evidence
7 compliance with the model rules and regulations for
8 industrialized/modular buildings, enforced in accordance with the
9 uniform administrative procedures. The commission may use
10 receipts from the sale of labels to help defray the operating
11 expenses of the commission.

12 j. Assist and support compacting states' investigations into
13 and resolutions of consumer complaints which relate to
14 industrialized/modular buildings constructed in one compacting
15 state and sited in another compacting state.

16 k. Borrow, accept or contract for the services of personnel
17 from any state or the United States or any subdivision or agency
18 thereof, from any interstate agency, or from any institution,
19 association, person, firm or corporation.

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

27 m. Establish and maintain such facilities as may be necessary
28 for the transacting of its business. The commission may acquire,
29 hold, and convey real personal property and any interest therein.

30 n. Enter into contracts and agreements, including but not
31 limited to, interim reciprocal agreements with noncompacting
32 states.

33
34 ARTICLE IX. FINANCE
35

36 9. a. The commission shall submit to the governor or
37 designated officer or officers of each compacting state a budget
38 of its estimated expenditures for such period as may be required
39 by the laws of that state for presentation to the legislature
40 thereof.

41 b. Each of the commission's budgets of estimated
42 expenditures shall contain specific recommendations of the
43 amounts to be appropriated by each of the compacting states.
44 The total amount of appropriations requested under the budget
45 shall be apportioned among the compacting states as follows:
46 one-half in equal shares; one-fourth among the compacting states
47 in accordance with the ratio of their populations to the total
48 population of the compacting states, based on the last decennial

1 federal census; and one-fourth among the compacting states in
2 accordance with the ratio of industrialized/modular building units
3 manufactured in each state to the total of all units manufactured
4 in all of the compacting states.

5 c. The commission shall not pledge the credit of any
6 compacting state. The commission may meet any of its
7 obligations in whole or in part with funds available to it by
8 donations, grants, or sale of labels, provided that the commission
9 takes specific action setting aside these funds prior to incurring
10 any obligation to be met in whole or in part in this manner.
11 Except where the commission makes use of funds available to it
12 by donations, grants or sale of labels, the commission shall not
13 incur any obligation prior to the allotment of funds by the
14 compacting states adequate to meet the same.

15 d. The commission shall keep accurate accounts of all receipts
16 and disbursements. The receipts and disbursements of the
17 commission shall be subject to the audit and accounting
18 procedures established under its bylaws. All receipts and
19 disbursements of funds handled by the commission shall be
20 audited yearly by a certified or licensed public accountant and
21 the report of the audit shall be included in and become part of
22 the annual report of the commission.

23 e. The accounts of the commission shall be open at any
24 reasonable time for inspection by duly constituted officers of the
25 compacting states and any person authorized by the commission.

26 f. Nothing contained in this article shall be construed to
27 prevent commission compliance relating to audit or inspection of
28 accounts by or behalf of any government contributing to the
29 support of the commission.

30 31 ARTICLE X. ENTRY INTO FORCE AND WITHDRAWAL

32
33 10. a. This compact shall enter into force when enacted into
34 law by any three states. Therefore, this compact shall become
35 effective as to any other state upon its enactment thereof. The
36 commission shall arrange for notification of all compacting states
37 whenever there is a new enactment of the compact.

38 b. Any compacting state may withdraw from this compact by
39 enacting a statute repealing the same. No withdrawal shall
40 affect any liability already incurred by or chargeable to a
41 compacting state prior to the time of that withdrawal.

42 43 ARTICLE XI. RECIPROCITY

44
45 11. If the commission determines that the standards for
46 industrialized/modular buildings prescribed by statute, rule or
47 regulation of compacting state are at least equal to the
48 commission's model rules and regulations for

1 industrialized/modular buildings, and that these state standards
2 are enforced by the compacting state in accordance with the
3 uniform administrative procedures, industrialized/modular
4 buildings approved by a compacting state shall be deemed to have
5 been approved by all the compacting states for placement in
6 those states in accordance with procedures prescribed by the
7 commission.

8
9 ARTICLE XII. EFFECT ON OTHER LAWS AND JURISDICTION

10
11 12. Nothing in this compact shall be construed to:

12 a. Withdraw or limit the jurisdiction of any state or local court
13 ¹[of] or¹ administrative officer or body with respect to any
14 person, corporation or other entity or subject matter, except to
15 the extent that such jurisdiction pursuant to this compact, is
16 expressly conferred upon another agency or body.

17 b. Supersede or limit the jurisdiction of any court of the
18 United States.

19
20 ARTICLE XIII. CONSTRUCTION AND SEVERABILITY

21
22 13. The compact shall be liberally construed so as to
23 effectuate the purpose thereof. The provisions of this compact
24 shall be severable and if any phrase, clause, sentence or provision
25 of this compact is declared to be contrary to the constitution of
26 any state or of the United States or the applicability thereof to
27 any government, agency, person or circumstances is held invalid,
28 the validity of the remainder of this compact and the
29 applicability thereof to any government agency, person or
30 circumstance shall not be held contrary to the constitution of any
31 state participating therein, the compact shall remain in full force
32 and effect as to the remaining party states and in full force and
33 effect as to the state affected as to all severable matters.

34 14. This act shall take effect immediately.

35
36
37 HOUSING AND CONSTRUCTION

38
39 Ratifies Interstate Compact on Industrialized/Modular Buildings.

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2 commission.

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8 of administrative officer or body with respect to any person,
9 corporation or other entity or subject matter, except to the
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11 expressly conferred upon another agency or body.

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22 any government, agency, person or circumstances is held invalid,
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24 applicability thereof to any government agency, person or
25 circumstance shall not be held contrary to the constitution of any
26 state participating therein, the compact shall remain in full force
27 and effect as to the remaining party states and in full force and
28 effect as to the state affected as to all severable matters.

29 14. This act shall take effect immediately.

30
31
32 STATEMENT

33
34 This bill ratifies the Interstate Compact on
35 Industrialized/Modular Buildings and affirms New Jersey's
36 participation in the compact. The purpose of the compact is to
37 establish uniform standards for the construction of
38 industrialized/modular buildings that will insure the quality,
39 durability and safety of such buildings. The adoption of uniform
40 standards across the states is expected to reduce costs associated
41 with regulation that varies from one jurisdiction to another.
42 These costs are ultimately borne by the owners and users of these
43 buildings.

44 Under terms of the compact, each ratifying state will have one
45 seat on an Interstate Industrialized/Modular Building
46 Commission. Each three state commissioners appointed will
47 select one additional commissioner, who is required to represent
48 either manufacturers or consumers of the buildings.

ASSEMBLY HOUSING COMMITTEE

STATEMENT TO

[FIRST REPRINT]

SENATE, No. 3385

with Assembly committee amendments

STATE OF NEW JERSEY

DATED: NOVEMBER 25, 1991

The Assembly Housing Committee reports Senate Bill No. 3385 (1R) favorably, with amendments.

Senate Bill No. 3385 (1R) ratifies the Interstate Compact on Industrialized/Modular Buildings and affirms New Jersey's participation in the compact. The purpose of the compact is to establish uniform standards for the construction of industrialized/modular buildings that will ensure the quality, durability and safety of such buildings. The adoption of uniform standards across the states is expected to reduce costs associated with regulation that varies from one jurisdiction to another. These costs are ultimately borne by the owners and users of these buildings.

Under terms of the compact, each ratifying state will have one seat on an Interstate Industrialized/Modular Building Commission. With every addition of three states to the compact, the three additional commissioners appointed from those states will select one additional commissioner, who is required to represent either manufacturers or consumers of the buildings.

The commission is responsible for adopting model rules and regulations concerning the construction of industrialized/modular buildings and for recommending to compacting states changes in their laws, codes and regulations to bring them into compliance with the model.

The commission's administrative costs are to be apportioned among the compacting states according to a formula that considers their relative populations and the proportion of industrialized/modular housing produced within their borders.

The compact is a result of a recommendation by the National Conference of the States on Building Codes and Standards.

New Jersey would be the third state to ratify the interstate compact, with Minnesota and Rhode Island having previously ratified it. The compact enters into force when enacted into law by three states.

The committee adopted an amendment deleting the term "life-cycle" from the description of relevant energy conservation standards. As amended, the bill is identical to Assembly Bill No. 4750 (1R) of 1991.

SENATE COUNTY AND MUNICIPAL
GOVERNMENT COMMITTEE

STATEMENT TO

SENATE, No. 3385

with Senate committee amendments

STATE OF NEW JERSEY

DATED: MAY 13, 1991

The Senate County and Municipal Government Committee reports favorably Senate Bill No. 3385 with Senate committee amendments.

Senate Bill 3385, as amended by the committee, ratifies the Interstate Compact on Industrialized/Modular Buildings and affirms New Jersey's participation in the compact. The purpose of the compact is to establish uniform standards for the construction of industrialized/modular buildings that will insure the quality, durability and safety of such buildings. The adoption of uniform standards across the states is expected to reduce costs associated with regulation that varies from one jurisdiction to another. These costs are ultimately borne by the owners and users of these buildings.

Under terms of the compact, each ratifying state will have one seat on an Interstate Industrialized/Modular Building Commission. With every addition of three states to the compact, the three additional commissioners appointed from those states will select one additional commissioner, who is required to represent either manufacturers or consumers of the buildings.

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New Jersey would be the third state to ratify the interstate compact, Minnesota and Rhode Island having previously ratified it. The compact enters into force when enacted into law by three states.

The committee amended the bill to correct various typographical and grammatical errors.