

STATE OF NEW YORK

9119

IN SENATE

April 29, 2024

Introduced by Sen. SKOUFIS -- read twice and ordered printed, and when printed to be committed to the Committee on Housing, Construction and Community Development

AN ACT to amend the executive law, in relation to adopting the interstate compact on industrialized/modular buildings

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The executive law is amended by adding a new section 613 to
2 read as follows:

3 § 613. The interstate compact on industrialized/modular buildings. The
4 interstate compact on industrialized/modular buildings is hereby entered
5 into and enacted into law with all jurisdictions legally joining there-
6 in, in the form substantially as follows:

7 ARTICLE I. FINDINGS AND DECLARATIONS OF POLICY

8 (1) The compacting states find that:

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

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

16 (c) Regulation by multiple jurisdictions imposes additional costs,
17 which are ultimately borne by the owners and users of
18 industrialized/modular buildings, restricts market access, and discour-
19 ages the development and incorporation of new technologies.

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

21 (a) Provide the states which regulate the design and construction of
22 industrialized/modular buildings with a program to coordinate and
23 uniformly adopt and administer the states' rules and regulations for
24 such buildings, all in a manner to assure interstate reciprocity.

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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

10 ARTICLE II. DEFINITIONS

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

13 (1) "Commission" means the Interstate Industrialized/Modular Buildings
14 Commission.

15 (2) "Industrialized/modular building" means any building which is of
16 closed construction; i.e., constructed in such a manner that concealed
17 parts or processes of manufacture cannot be inspected at the site, with-
18 out disassembly, damage, or destruction, and which is made or assembled
19 in manufacturing facilities, off the building site, for installation, or
20 assembly and installation, on the building site.
21 "Industrialized/modular building" includes, but is not limited to, modu-
22 lar housing which is factory-built single-family and multi-family hous-
23 ing (including closed wall panelized housing) and other modular, nonres-
24 idential buildings. "Industrialized/modular building" does not include
25 any structure subject to the requirements of the National Manufactured
26 Home Construction and Safety Standards Act of 1974.

27 (3) "Interim Reciprocal Agreement" means a formal reciprocity agree-
28 ment between a non-compacting state wherein the non-compacting state
29 agrees that labels evidencing compliance with the model rules and regu-
30 lations for industrialized/modular buildings, as authorized in Article
31 VIII, section (9), shall be accepted by the state and its subdivisions
32 to permit installation and use of industrialized/modular buildings.
33 Further, the non-compacting state agrees that by legislation or regu-
34 lation, and appropriate enforcement by uniform administrative proce-
35 dures, the non-compacting state requires all industrialized/modular
36 building manufacturers within that state to comply with the model rules
37 and regulations for industrialized/modular buildings.

38 (4) "State" means a state of the United States, territory, or
39 possession of the United States, the District of Columbia, or the
40 Commonwealth of Puerto Rico.

41 (5) "Uniform administrative procedures" means the procedures adopted
42 by the Commission (after consideration of any recommendations from the
43 rules development committee) which state and local officials, and other
44 parties, in one state, will utilize to assure state and local officials,
45 and other parties, in other states, of the substantial compliance of
46 industrialized/modular building construction with the construction stan-
47 dard of requirements of such other states; to assess the adequacy of
48 building systems; and to verify and assure the competency and perform-
49 ance of evaluation and inspection agencies.

50 (6) "Model rules and regulations for industrialized/modular buildings"
51 means the construction standards adopted by the Commission (after
52 consideration of any recommendations from the rules development commit-
53 tee) which govern the design, manufacture, handling, storage, delivery,
54 and installation of industrialized/modular buildings and building compo-

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

4 ARTICLE III. CREATION OF COMMISSION

5 The compacting states hereby create the Interstate
6 Industrialized/Modular Buildings Commission, hereinafter call Commis-
7 sion. Said Commission shall be a body corporate of each compacting state
8 and an agency thereof. The Commission shall have all the powers and
9 duties set forth herein and such additional powers as may be conferred
10 upon it by subsequent action of the respective legislatures of the
11 compacting states.

12 ARTICLE IV. SELECTION OF COMMISSIONERS

13 The Commission shall be selected as follows. As each state becomes a
14 compacting state, one resident shall be appointed as commissioner. The
15 commissioner shall be selected by the governor of the compacting state,
16 being designated from the state agency 3 charged with regulating
17 industrialized/modular buildings or, if such state agency does not
18 exist, being designated from among those building officials with the
19 most appropriate responsibilities in the state. The commissioner may
20 designate another official as an alternate to act on behalf of the
21 commissioner at Commission meetings which the commissioner is unable to
22 attend.

23 Each state commissioner shall be appointed, suspended, or removed and
24 shall serve subject to and in accordance with the laws of the state
25 which said commissioner represents; and each vacancy occurring shall be
26 filled in accordance with the laws of the state wherein the vacancy
27 exists.

28 For every three state commissioners that have been appointed in the
29 manner described, those state commissioners shall select one additional
30 commissioner who shall be a representative of manufacturers of residen-
31 tial- or commercial-use industrialized/modular buildings. For every six
32 state commissioners that have been appointed in the manner described,
33 the state commissioners shall select one additional commissioner who
34 shall be a representative of consumers of industrialized/modular build-
35 ings.

36 In the event states withdraw from the compact or, for any other
37 reason, the number of state commissioners is reduced, the state commis-
38 sioners shall remove the last added representative commissioner as
39 necessary to maintain the ratio of state commissioners to representative
40 commissioners described herein.

41 Upon a majority vote of the state commissioners, the state commis-
42 ioners may remove, fill a vacancy created by, or replace any representative
43 commissioner, provided that any replacement is made from the same repre-
44 sentative group and the ratio described herein is maintained. Unless
45 provided otherwise, the representative commissioners have the same
46 authority and responsibility as the state commissioners.

47 In addition, the Commission may have as a member one commissioner
48 representing the United States government if federal law authorizes such
49 representation. Such commissioner shall not vote on matters before the
50 Commission. Such commissioner shall be appointed by the President of the
51 United States, or in such other manner as may be provided by Congress.

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ARTICLE V. VOTING

2 Each commissioner (except the commissioner representing the United
3 States government) shall be entitled to one vote on the Commission. A
4 majority of the commissioners shall constitute a quorum for the trans-
5 action of business. Any business transacted at any meeting of the
6 Commission must be by affirmative vote of a majority of the quorum pres-
7 ent and voting.

8

ARTICLE VI. ORGANIZATION AND MANAGEMENT

9 The Commission shall elect annually, from among its members, a chair-
10 man, a vice chairman, and a treasurer. The Commission shall also select
11 a secretariat, which shall provide an individual who shall serve as
12 secretary of the Commission. The 4 Commission shall fix and determine
13 the duties and compensation of the secretariat.

14 The commissioners shall serve without compensation, but shall be reim-
15 bursed for their actual and necessary expenses from the funds of the
16 Commission.

17 The Commission shall adopt a seal.

18 The Commission shall adopt bylaws, rules, and regulations for the
19 conduct of its business, and shall have the power to amend and rescind
20 these bylaws, rules, and regulations.

21 The Commission shall establish and maintain an office at the same
22 location as the office maintained by the secretariat for the transaction
23 of its business and may meet at any time, but in any event must meet at
24 least once a year. The chairman may call additional meetings and upon
25 the request of a majority of the commissioners of three or more of the
26 compacting states shall call an additional meeting.

27 The Commission annually shall make the governor and legislature of
28 each compacting state a report covering its activities for the preceding
29 year. Any donation or grant accepted by the Commission or services
30 borrowed shall be reported in the annual report of the Commission and
31 shall include the nature, amount, and conditions, if any, of the
32 donation, gift, grant, or services borrowed and the identity of the
33 donor or lender. The Commission may make additional reports as it may
34 deem desirable.

35

ARTICLE VII. COMMITTEES

36 The Commission will establish such committees as it deems necessary,
37 including, but not limited to, the following:

38 (1) An executive committee which functions when the full Commission is
39 not meeting, as provided in the bylaws of the Commission. The executive
40 committee will ensure that proper procedures are followed in implement-
41 ing the Commission's programs and in carrying out the activities of the
42 compact. The executive committee shall be elected by vote of the Commis-
43 sion. It shall be comprised of at least three and no more than nine
44 commissioners, selected from the state commissioners and one member of
45 the industry commissioners and one member of the consumer commissioners.

46 (2) A rules development committee appointed by the Commission. The
47 committee shall be consensus-based and consist of not less than seven
48 nor more than twenty-one members. Committee members will include state
49 building regulatory officials; manufacturers of industrialized/modular
50 buildings; private, third- party inspection agencies; and consumers.
51 This committee may recommend procedures which state and local officials,

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

20 (3) Any other advisory, coordinating, or technical committees, member-
21 ship on which may include private persons, public officials, associ-
22 ations, or organizations. Such committees may consider any matter of
23 concern to the Commission.

24 (4) Such additional committees as the Commission's bylaws may provide.

25 ARTICLE VIII. POWER AND AUTHORITY

26 In addition to the powers conferred elsewhere in this compact, the
27 Commission shall have power to:

28 (1) Collect, analyze, and disseminate information relating to
29 industrialized/modular buildings.

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

33 (3) Assist and support committees and organizations which promulgate,
34 maintain, and update model codes or recommendations for uniform adminis-
35 trative procedures or model rules and regulations for
36 industrialized/modular buildings.

37 (4) Adopt and amend uniform administrative procedures and model rules
38 and regulations for industrialized/modular buildings.

39 (5) Make recommendations to compacting states for the purpose of
40 bringing such states' laws, codes, rules and regulations, and adminis-
41 trative practices into conformance with the uniform administrative
42 procedures or the model rules and regulations for industrialized/modular
43 buildings, provided that such recommendations shall be made to the
44 appropriate state agency with due consideration for the desirability of
45 uniformity while also giving appropriate consideration to special
46 circumstances which may justify variations necessary to meet unique
47 local conditions.

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

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

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

3 (9) Create and sell labels to be affixed to industrialized/modular
4 building units, constructed in or regulated by compacting states, where
5 such labels will evidence compliance with the model rules and regu-
6 lations for industrialized/modular buildings, enforced in accordance
7 with the uniform administrative procedures. The Commission may use
8 receipts from the sale of labels to help defray the operating expenses
9 of the Commission.

10 (10) Assist and support compacting states' investigations into and
11 resolutions of consumer complaints which relate to
12 industrialized/modular buildings constructed in one compacting state and
13 cited in another compacting state.

14 (11) Borrow, accept, or contract for the services of personnel from
15 any state or the United States or any subdivision or agency thereof,
16 from any interstate agency, or from any institution, association,
17 person, firm, or corporation.

18 (12) Accept for any of its purposes and functions under this compact
19 any and all donations, and grants of money, equipment, supplies, materi-
20 als, and services (conditional or otherwise) from any state or the
21 United States or any subdivision or agency thereof, from any interstate
22 agency, or from any institution, person, firm, or corporation, and may
23 receive, utilize, and dispose of the same.

24 (13) Establish and maintain such facilities as may be necessary for
25 the transacting of its business. The Commission may acquire, hold, and
26 convey real and personal property and any interest therein.

27 (14) Enter into contracts and agreements, including but not limited
28 to, interim reciprocal agreements with non-compacting states.

29 ARTICLE IX. FINANCE

30 The Commission shall submit to the governor or designated officer or
31 officers of each compacting state a budget of its estimated expenditures
32 for such period as may be required by the laws of that state for presen-
33 tation to the legislature thereof.

34 Each of the Commission's budgets of estimated expenditures shall
35 contain specific recommendations of the amounts to be appropriated by
36 each of the compacting states. The total amount of appropriations
37 requested under any such budget shall be apportioned among the compact-
38 ing states as follows: one-half in equal shares; one-fourth among the
39 compacting states in accordance with the ratio of their populations to
40 the total population of the compacting states, based on the last decen-
41 ennial federal census; and one-fourth among the compacting states in
42 accordance with the ratio of industrialized/modular building units manu-
43 factured in each state to the total of all units manufactured in the
44 compacting states.

45 The Commission shall not pledge the credit of any compacting state.
46 The Commission may meet any of its obligations in whole or in part with
47 funds available to it by donations, grants, or sale of labels: provided
48 that the Commission takes specific action setting aside such funds prior
49 to incurring any obligation to be met in whole or in part in such
50 manner. Except where the Commission makes use of funds available to it
51 by donations, grants, or sale of labels, the Commission shall not incur
52 any obligation prior to the allotment of funds by the compacting states
53 adequate to meet the same.

1 The Commission shall keep accurate accounts of all receipts and
2 disbursements. The receipts and disbursements of the Commission shall be
3 subject to the audit and 7 accounting procedures established under its
4 bylaws. All receipts and disbursements of funds handled by the Commis-
5 sion shall be audited yearly by a certified or licensed public account-
6 ant and the report of the audit shall be included in and become part of
7 the annual report of the Commission.

8 The accounts of the Commission shall be open at any reasonable time
9 for inspection by duly constituted officers of the compacting states and
10 any person authorized by the Commission.

11 Nothing contained in this Article shall be construed to prevent
12 Commission compliance relating to audit or inspection of accounts by or
13 on behalf of any government contributing to the support of the Commis-
14 sion.

15 ARTICLE X. ENTRY INTO FORCE AND WITHDRAWAL

16 This compact shall enter into force when enacted into law by any three
17 states. Thereafter, this compact shall become effective as to any other
18 state upon its enactment thereof. The Commission shall arrange for
19 notification of all compacting states whenever there is a new enactment
20 of the compact.

21 Any compacting state may withdraw from this compact by enacting a
22 statute repealing the same. No withdrawal shall affect any liability
23 already incurred by or chargeable to a compacting state prior to the
24 time of such withdrawal.

25 ARTICLE XI. RECIPROCITY

26 If the Commission determines that the standards for
27 industrialized/modular buildings prescribed by statute, rule, or regu-
28 lation of compacting state are at least equal to the Commission's model
29 rules and regulations for industrialized/modular buildings, and that
30 such state standards are enforced by the compacting state in accordance
31 with the uniform administrative procedures, industrialized/modular
32 buildings approved by such a compacting state shall be deemed to have
33 been approved by all the compacting states for placement in those states
34 in accordance with procedures prescribed by the Commission.

35 ARTICLE XII. EFFECT ON OTHER LAWS AND JURISDICTION

36 Nothing in this compact shall be construed to:

37 (1) Withdraw or limit the jurisdiction of any state or local court or
38 administrative officer or body with respect to any person, corporation,
39 or other entity or subject matter, except to the extent that such juris-
40 isdiction pursuant to this compact, is expressly conferred upon another
41 agency or body.

42 (2) Supersede or limit the jurisdiction of any court of the United
43 States.

44 ARTICLE XIII. CONSTRUCTION AND SEVERABILITY

45 This compact shall be liberally construed so as to effectuate the
46 purposes thereof. 8 The provisions of this compact shall be severable
47 and if any phrase, clause, sentence, or provision of this compact is
48 declared to be contrary to the constitution of any state or of the

1 United States or the applicability thereof to any government, agency,
2 person, or circumstances is held invalid, the validity of the remainder
3 of this compact and the applicability thereof to any government, agency,
4 person, or circumstance shall not be affected thereby. If this compact
5 shall be held contrary to the constitution of any state participating
6 therein, the compact shall remain in full force and effect as to the
7 remaining party states and in full force and effect as to the state
8 affected as to all severable matters.

9 § 2. This act shall take effect immediately.