

Introduced by

Senators Lyson, Wardner

Representatives Rust, Steiner

1 A BILL for an Act to provide for an interstate compact on industrialized or modular buildings.

2 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

3 **SECTION 1.**

4 **Compact on industrialized or modular buildings.**

5 The interstate compact on industrialized or modular buildings is entered with all jurisdictions  
6 legally joining the compact in the form substantially as follows:

7 **ARTICLE 1. FINDINGS AND DECLARATIONS OF POLICY**

8 1. The compacting states find that:

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

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

15 c. Regulation by multiple jurisdictions imposes additional costs, which are ultimately  
16 borne by the owners and users of industrialized or modular buildings, restricts  
17 market access, and discourages the development and incorporation of new  
18 technologies.

19 2. It is the policy of each of the compacting states to:

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



- 1       4. "State" means a state of the United States, territory or possession of the United  
2       States, the District of Columbia, or the Commonwealth of Puerto Rico.
- 3       5. "Uniform administrative procedures" means the procedures adopted by the  
4       commission, after consideration of any recommendations from the rules development  
5       committee, which state and local officials, and other parties, in one state, will utilize to  
6       assure state and local officials, and other parties in other states, of the substantial  
7       compliance of industrialized or modular building construction with the construction  
8       standard of requirements of such other states; to assess the adequacy of building  
9       systems; and to verify and assure the competency and performance of evaluation and  
10      inspection agencies.
- 11      6. "Model rules and regulations for industrialized or modular buildings" means the  
12      construction standards adopted by the commission, after consideration of any  
13      recommendations from the rules development committee, which govern the design,  
14      manufacture, handling, storage, delivery, and installation of industrialized or modular  
15      buildings and building components. The construction standards and any amendments  
16      thereof shall conform insofar as practicable to model building codes and referenced  
17      standards generally accepted and in use throughout the United States.

### 18                                   **ARTICLE 3. CREATION OF COMMISSION**

19       The compacting states hereby create the interstate industrialized or modular buildings  
20      commission, hereinafter called commission. Said commission shall be a body corporate of each  
21      compacting state and an agency thereof. The commission shall have all the powers and duties  
22      set forth herein and such additional powers as may be conferred upon it by subsequent action  
23      of the respective legislatures of the compacting states.

### 24                                   **ARTICLE 4. SELECTION OF COMMISSIONERS**

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

1 Each state commissioner shall be appointed, suspended, or removed and shall serve  
2 subject to and in accordance with the laws of the state which said commissioner represents;  
3 and each vacancy occurring shall be filled in accordance with the laws of the state wherein the  
4 vacancy exists.

5 When three state commissioners have been appointed in the manner described, those state  
6 commissioners shall select one additional commissioner who shall be a representative of  
7 manufacturers of industrial- or commercial-use industrialized or modular buildings. When six  
8 state commissioners have been appointed in the manner described, the state commissioners  
9 shall select a second additional commissioner who shall be a representative of consumers of  
10 industrialized or modular buildings. With each addition of three state commissioners, the state  
11 commissioners shall appoint one additional representative commissioner, alternating between a  
12 representative of manufacturers of industrialized or modular buildings and consumers of  
13 industrialized or modular buildings. The ratio between state commissioners and representative  
14 commissioners shall be three to one. In the event states withdraw from the compact or, for any  
15 other reason, the number of state commissioners is reduced, the state commissioners shall  
16 remove the last added representative commissioner as necessary to maintain a ratio of state  
17 commissioners to representative commissioners of three to one.

18 Upon a majority vote of the state commissioners, the state commissioners may remove, fill  
19 a vacancy created by, or replace any representative commissioner, provided that any  
20 replacement is made from the same representative group and a three-to-one ratio is  
21 maintained. Unless provided otherwise, the representative commissioners have the same  
22 authority and responsibility as the state commissioners.

23 In addition, the commission may have as a member one commissioner representing the  
24 United States government if federal law authorizes such representation. Such commissioner  
25 shall not vote on matters before the commission. Such commission shall be appointed by the  
26 President of the United States, or in such other manner as may be provided by Congress.

#### **ARTICLE 5. VOTING**

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

1                                   **ARTICLE 6. ORGANIZATION AND MANAGEMENT**

2           The commission shall elect annually, from among its members, a chairman, a vice  
3 chairman, and a treasurer. The commission shall also select a secretariat, which shall provide  
4 an individual who shall serve as secretary of the commission. The commission shall fix and  
5 determine the duties and compensation of the secretariat.

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

8           The commission shall adopt a seal.

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

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

16           The commission annually shall make the governor and legislature of each compacting state  
17 a report covering its activities for the preceding year. Any donation or grant accepted by the  
18 commission or services borrowed shall be reported in the annual report of the commission and  
19 shall include the nature, amount, and conditions, if any, of the donation, gift, grant, or services  
20 borrowed and the identity of the donor or lender. The commission may make additional reports  
21 as it may deem desirable.

22                                   **ARTICLE 7. COMMITTEES**

23           The commission will establish such committees as it deems necessary, including the  
24 following:

- 25           1. An executive committee which functions when the full commission is not meeting, as  
26 provided in the bylaws of the commission. The executive committee will ensure that  
27 proper procedures are followed in implementing the commission's programs and in  
28 carrying out the activities of the compact. The executive committee shall be elected by  
29 vote of the commission. It shall be comprised of at least three and no more than nine  
30 commissioners, selected from those commissioners who are representatives of the  
31 governor of their respective state.



- 1       2. Undertake studies of existing laws, codes, rules and regulations, and administrative  
2       practices of the states relating to industrialized or modular buildings.
- 3       3. Assist and support committees and organizations which promulgate, maintain, and  
4       update model codes or recommendations for uniform administrative procedures or  
5       model rules and regulations for industrialized or modular buildings.
- 6       4. Adopt and amend uniform administrative procedures and model rules and regulations  
7       for industrialized or modular buildings.
- 8       5. Make recommendations to compacting states for the purpose of bringing such states'  
9       laws, codes, rules and regulations, and administrative practices into conformance with  
10       the uniform administrative procedures or the model rules and regulations for  
11       industrialized or modular buildings, provided that such recommendations shall be  
12       made to the appropriate state agency with due consideration for the desirability of  
13       uniformity while also giving appropriate consideration to special circumstances which  
14       may justify variations necessary to meet unique local conditions.
- 15       6. Assist and support the compacting states with monitoring of plan review programs and  
16       inspection programs, which will assure that the compacting states have the benefit of  
17       uniform industrialized or modular building plan review and inspection programs.
- 18       7. Assist and support organizations which train state and local government and other  
19       program personnel in the use of uniform industrialized or modular building plan review  
20       and inspection programs.
- 21       8. Encourage and promote coordination of state regulatory action relating to  
22       manufacturers, public, or private inspection programs.
- 23       9. Create and sell labels to be affixed to industrialized or modular building units,  
24       constructed in or regulated by compacting states, where such labels will evidence  
25       compliance with the model rules and regulations for industrialized or modular  
26       buildings, enforced in accordance with the uniform administrative procedures. The  
27       commission may use receipts from the sale of labels to help defray the operating  
28       expenses of the commission.
- 29       10. Assist and support compacting states' investigations into and resolutions of consumer  
30       complaints which relate to industrialized or modular buildings constructed in one  
31       compacting state and sited in another compacting state.



1 commission shall not incur any obligation prior to the allotment of funds by the compacting  
2 states adequate to meet the same.

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

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

10 Nothing contained in this article shall be construed to prevent commission compliance  
11 relating to audit or inspection of accounts by or on behalf of any government contributing to the  
12 support of the commission.

#### 13 **ARTICLE 10. ENTRY INTO FORCE AND WITHDRAWAL**

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

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

#### 21 **ARTICLE 11. RECIPROCITY**

22 If the commission determines that the standards for industrialized or modular buildings  
23 prescribed by statute, rule, or regulation of compacting state are at least equal to the  
24 commission's model rules and regulations for industrialized or modular buildings, and that such  
25 state standards are enforced by the compacting state in accordance with the uniform  
26 administrative procedures, industrialized or modular buildings approved by such a compacting  
27 state shall be deemed to have been approved by all the compacting states for placement in  
28 those states in accordance with procedures prescribed by the commission.

#### 29 **ARTICLE 12. EFFECT ON OTHER LAWS AND JURISDICTION**

30 Nothing in this compact shall be construed to:

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

5       2. Supersede or limit the jurisdiction of any court of the United States.

6                                   **ARTICLE 13. CONSTRUCTION AND SEVERABILITY**

7       This compact shall be liberally construed so as to effectuate the purposes thereof. The  
8       provisions of this compact shall be severable and if any phrase, clause, sentence, or provision  
9       of this compact is declared to be contrary to the constitution of any state or of the United States  
10      or the applicability thereof to any government, agency, person, or circumstances is held invalid,  
11      the validity of the remainder of this compact and the applicability thereof to any government,  
12      agency, person, or circumstance shall not be affected thereby. If this compact shall be held  
13      contrary to the constitution of any state participating therein, the compact shall remain in full  
14      force and effect as to the remaining party states and in full force and effect as to the state  
15      affected as to all severable matters. If this compact shall be held contrary to the constitution of  
16      any state participating therein, the compact shall remain in full force and effect as to the  
17      remaining party states and in full force and effect as to the state affected as to all severable  
18      matters.