



Manufactured Building

Wayne Goodwin | Commissioner of Insurance
Tim Bradley | Assistant State Fire Marshal

MEMORANDUM

DATE: April 24, 2012 (Revised July 10, 2009 Memo)
Page 1 of 3

TO: Building Inspectors, Manufacturers, Retailers, and Other Interested Parties

FROM: Alan D. Greene, P.E.
Chief Building Code Consultant
Manufactured Building Division

SUBJECT: Local Inspection of Modular Buildings

As you are aware, modular construction in this state is governed strictly by the North Carolina State Building Code. **NC General Statute 143-139.1** states in part:

All building units, structures or components bearing such labels or seals shall be deemed to meet the requirements of the State Building Code and this article without further inspection or payment of fees, except as may be required for the enforcement of the Code relative to the connection of units and components and enforcement of local ordinances governing zoning, utility connections, and foundations permits.

The full excerpt from the General Statute is given in **Appendix D of Volume VIII - Modular Construction Regulations, NC State Building Code** (copy attached). The “labels” and “seals” referred to are *State of North Carolina Modular Construction Validating Stamps* (example attached). **Section 204.4.2.1** of the **North Carolina Administrative Code and Policies, 2012 Edition**, states:

Inspection and certification of buildings or components manufactured off the site and labeled by a third-party agency shall be accepted by the local inspection department without further inspection.

The presence of a **State of North Carolina Modular Construction Validating Stamp** in a modular building **preempts further inspection except that provided for in Section 105.3**

of Volume VIII (copy attached). The Modular Stamp insures that all systems -- building, plumbing, mechanical, and electrical -- have been verified in the plant by a certified third party agency as being in compliance with the NC State Building Code, and ***relieves the local inspection jurisdiction of responsibility or liability for any non-compliances in the home, except as provided for in Section 105.4 of Volume VIII.*** As is the case with site built construction, THE SYSTEM IS NOT PERFECT! Code violations can and do make it through the third party monitoring process. But, overall, the system works very well. In past periods when the Manufactured Building Division has averaged over 500 modular labels issued per month, complaints received by this office averaged about 7 per month -- about one percent of the total. We can all cite “horror stories” about especially troublesome cases... but these are the exception rather than the rule.

Local inspections of labeled modular units are legally restricted to the items listed in **Section 105.3 of Volume VIII**. Code violations which, for whatever reason, may have been missed during the in-plant monitoring process are sometimes noted during the course of these inspections. **Section 105.4** outlines the procedure for reporting these violations. **THIS PROCEDURE IS NOT OPTIONAL, AND MAY NOT BE IGNORED OR ALTERED BY LOCAL JURISDICTIONS (see NC General Statute 143 - 138(e)). It is a part of the North Carolina State Building Code and, as such, is mandatory.**

The procedure is relatively simple, and may be summarized as follows: for buildings bearing a valid NC Modular Stamp, authorized local inspections are given in **Section 105.3, Volume VIII**. A local inspector may, *in the course of making these authorized inspections*, find obvious Code violations. These will fall into one of two categories, as given in **Section 105.4, Volume VIII**:

- 1) violations which are “minor and would not present immediate hazards” (most will fall into this category), and
- 2) violations which “may be hazards of serious proportion”.

The “hazards of serious proportion” are such that power should be withheld from the building. In either case, ***report the violations in writing to the Department of Insurance, Manufactured Building Division, as soon as possible*** (modular construction is no longer under the Engineering Division). ***This is mandatory by Section 105.4.***

In order to bear a North Carolina Modular Stamp on their buildings, manufacturers must be certified by the Department of Insurance. Third party agencies are also certified by the Department of Insurance and approved by the Building Code Council. If Code violations

are present in the factory manufactured part of a building, it is imperative that the above procedure be followed if we are to take corrective action. In the case of “minor” violations, go ahead and issue a certificate of occupancy. The Department of Insurance will hold the manufacturer responsible for correcting the violations in a timely fashion. *A local inspector is covered if he or she has followed the Code mandated procedure and made a written report to the Department of Insurance.* For “hazards of serious proportion”, of course the certificate of occupancy must be withheld. But *make the report in writing*, and the State program will proceed to have corrections made that are attributable to the manufacturer.

It should be noted that all Code violations that occur as a result of or during work done at the site are under the jurisdiction of the local inspection department. The procedure outlined above applies to the factory-built portion of a given project.

As stated previously, the modular program as a whole is working well. We would like to make it still better, and need your help to do so. But please do not violate the law by deviating from the procedure mandated by the Code. Local exceptions to this cannot be tolerated. Thank you for your cooperation.

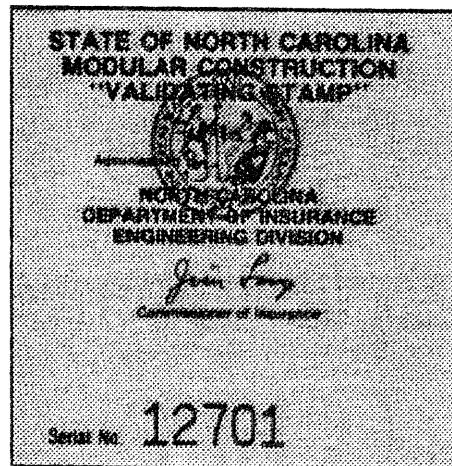
Attached are pertinent Sections of the Code:

Appendix A, Example of North Carolina Modular Stamp
Appendix D, the NC General Statute regarding modular structures.
Sections 105.3 and 105.4 of Volume VIII, *Modular Construction Regulations*.

cc: Joseph H. Sadler, Jr., P.E. – Deputy Director
C. Patrick Walker, P.E. – Technical Services Manager
Michael J. Hamm, P.E. -- Code Consultant
P. Shane Phelps – Code Consultant

APPENDIX A

NORTH CAROLINA VALIDATION STAMP



(Red North Carolina State Seal on Reflective Silver Background)
Size approximately 2.5" x 2.5"

APPENDIX D

RELATED PUBLICATIONS, DOCUMENTS AND GENERAL STATUTES

GENERAL: The following by reference are part of regulations as if bound herein:

1. North Carolina State Building Code, Volume IA - Administration & Enforcement Requirements; Volume I - General Construction; Volume IC - Accessibility Code; Volume II - Plumbing; Volume III - Mechanical; Volume IV - Electrical; Volume V - Fire Prevention; Volume VI - Gas; Volume VII - Residential. (The use of the word "Code" in these regulations shall mean any or all of these referenced volumes.)

2. North Carolina General Statutes, with specific reference to: (a) Chapter 143 - State Departments, Institutions and Commissions.

G.S. 143-139.1. Certification of manufactured buildings, structures or components by recognized independent testing laboratory. - The State Building Code may provide, in circumstances deemed appropriate by the Building Code Council, for testing, evaluation, inspection, and certification of buildings, structures or components manufactured off the site on which they are to be erected, by a recognized independent testing laboratory having follow-up inspection services approved by Building Code Council. Approval of such buildings, structures or components shall be evidenced by labels or seals acceptable to the Council. All building units, structures or components bearing such labels or seals shall be deemed to meet the requirements of the State Building Code and this Article without further inspection or payment of fees, except as may be required for the enforcement of the Code relative to the connection of units and components and enforcement of local ordinances governing zoning, utility connections, and foundations permits. The Building Code Council shall adopt and may amend from time to time such reasonable and appropriate rules and regulations as it deems necessary for approval of agencies offering such testing, evaluation, inspections, and certification services and for overseeing their operations. Such rules and regulations shall include provisions to insure that such agencies are independent and free of any potential conflicts of interest which might influence their judgment in exercising their functions under the Code. Such rules and regulations may include a schedule of reasonable fees to cover administrative expenses in approving and overseeing operations of such agencies and may require the posting of a bond or other security satisfactory to the Council guaranteeing faithful performance of duties under the Code.

The Building Code Council may also adopt rules to insure that any person that is not licensed, in accordance with G.S. 87-1, and that undertakes to erect a North Carolina labeled manufactured modular building, meets the manufacturer's installation instructions and applicable provisions of the State Building Code. Any such person, before securing a permit to erect a modular building, shall provide the code enforcement official proof that he has in force for each modular building to be erected a \$5,000 surety bond insuring compliance with the regulations of the State Building Code governing installation of modular buildings. (1971, c. 1099.)

3. North Carolina General Statutes as they relate to license requirements for architects, engineers and contractors.

Section 104: CITY AND COUNTY COMMISSIONERS

***104.1.** Responsible for providing for the implementation of the building, plumbing, heating and electrical codes for all buildings and structures, including modular construction by appointing inspectors to enforce the codes to protect the citizens within their jurisdiction, in accordance with G.S. 153A-351 & 160A-411.

***104.2.** Adopt local ordinances on administrative procedures and permit fees to enforce the codes.

***104.3.** Adopt zoning ordinances regulating locations where buildings may be placed.

***For information only - regulated by General Statutes and is not under the jurisdiction of the N. C. Building Code Council.**

**Section 105: CITY AND COUNTY INSPECTORS
AND INSPECTION DEPARTMENTS**

***105.1. ERECTION OF UNITS**

Enforce local ordinances and zoning ordinances which have been adopted by the city and county commissioners.

***105.2. AUTHORIZED INSPECTIONS ON UNLABELED UNITS**

Perform inspection as required locally on unlabeled units. The inspection certificate issues to the power company for unlabeled units must include the following words on the inspection certificate: "modular construction home has been inspected in accordance with the North Carolina State Building Code."

***105.3. AUTHORIZED INSPECTIONS ON LABELED UNITS**

The inspection certificate issued to the power company must include the words Modular Construction Not Inspected by local inspection department, however, was inspected and labeled by (Name and Label Number) of certifying agency approved by the State Building Code Council. Local inspectors are authorized by law to only inspect the following for compliance with the North Carolina State Building Code and the installation instructions of labeled modular construction:

A. Water, sewer, gas and electrical utility connections. (Note: Frequently the utility connections are made on the inside of the manufactured buildings, and an inspection of the utility connection would include inspection of such inside connections.)

B. Foundations and tie down requirements.

C. Structural, plumbing, heating and electrical connections between two or more units.

D. Inspection of unit at the written request of the owner.

E. Alterations and additions made after the unit was labeled at the point of manufacture which are found while making one of the above authorized inspections.

105.4. REPORTS ON INSPECTIONS OF LABELED UNITS

If the inspector is making an authorized inspection of Labeled Units and finds obvious Code violations, he should report the details of the violation, in writing, immediately to the Engineering Division of the Department of Insurance with the following information:

A. Details of violations of the Code which are minor and would not present immediate hazards but may cause trouble to the owner with the statement that power has not been withheld from being furnished to the unit because of these violations.

B. Details of violations of the Code which may be hazards of serious proportion with the statement that such violations may be so hazardous to the occupants that power could not be authorized to be cut on before such serious hazards are corrected.

C. Manufacturer's name.

D. Labeling agency's name and label number.

E. Address of the location of the unit.

F. Name and address of the owner of the unit.