



TEXAS DEPARTMENT OF LICENSING AND REGULATION
COMPLIANCE DIVISION – INDUSTRIALIZED HOUSING AND BUILDINGS

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INDUSTRIALIZED HOUSING AND BUILDINGS
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WHAT EVERY INDUSTRIALIZED BUILDER SHOULD KNOW

DEFINITION OF AN INDUSTRIALIZED BUILDER [reference Department rule 70.10(a)]

An industrialized builder is defined as "a person who is engaged in the assembly, connection, and on-site construction and erection of modules or modular components at the building site or who is engaged in the purchase of industrialized housing or buildings or of modules or modular components from a manufacturer for sale or lease to the public; a subcontractor of an industrialized builder is not a builder for purposes of this chapter."

REGISTRATION [Reference department rules 70.20 and 70.78]

1. The builder must notify the department within 10 days of any changes in information regarding the location or ownership of the registrant.
2. Provide the customers with access to the name, mailing address, and telephone number of the department for purposes of directing complaints to the department. The information shall be included on:
 - (a) a sign prominently displayed in the place of business
 - (b) any written contract for services
 - (c) any bill for services
3. The registration is valid for 12 months and must be renewed annually. Each separate sales office, or leasing office, must be registered.

FOUNDATIONS [reference Occupations Code, Chapter 1202, §1202.002, §1202.003, and §1202.203; department rule 70.70(d), 70.70(e), 70.70(f), and 70.100; *Frequently Asked Questions*; and the *Building Site Inspection Program* procedures]

Residential modular construction shall be installed on a **permanent foundation** and installed **in accordance to the manufacturer's specifications**. The manufacturer shall provide critical load points for attachment of the house or building or component to the foundation. A licensed Texas professional engineer or architect shall design and seal the foundation design and any unique on-site construction details. The foundation and construction shown on drawings must meet or exceed the mandatory building codes adopted by the **Texas Industrialized Building Code Council**.

The Texas Industrialized Building Code Council permits commercial modular construction to be installed on a temporary foundation system **subject to the acceptance of the local authority**.

INSPECTIONS [reference Occupations Code, Chapter 1202, §1202.203; department rules 70.62 and 70.73 and the *Building Site Inspection Program* procedures]

A. Inside Jurisdiction of a Municipality:

Falls under the jurisdiction of the local authorities for site inspections. Permits must be pulled in accordance with the requirements set by the municipality. A licensed Texas engineer or architect shall design and seal the foundation design and any unique on-site construction details.

B. Outside Jurisdiction of a Municipality:

- Site inspections are required for the first installation of all industrialized housing and permanent industrialized buildings. Exception: Site inspections are not required for the installation of unoccupied industrialized buildings not open to the public, such as communication equipment shelters, that are not also classified as a hazardous occupancy by the mandatory building code.
- Site inspections are required for industrialized buildings that are designed to be moved from one commercial site to another commercial site if the buildings are used as a school or place of religious worship.
- Inspections shall be performed in accordance with the ***Building Site Inspection Program***. **A site inspection shall be performed by a Texas registered IHB third party inspector or a Texas licensed engineer or architect. HUD, FHA, OR LICENSED REAL ESTATE INSPECTORS ARE NOT ACCEPTABLE INSPECTORS FOR THE PERFORMANCE OF A SITE INSPECTION FOR THE TEXAS IHB PROGRAM.**

The industrialized builder may not change inspectors in the middle of a project. The inspections must be scheduled to assure that construction is observed in at least the following phases:

1. **FOUNDATION AND SITE PREPARATION.** After forms are constructed, steel reinforcement is installed, but before concrete is poured.
2. **SET INSPECTION.** When the modules or modular components are connected and fastened to the foundation.
3. **FINAL INSPECTION.** When utility services are connected and tests are performed.

Inspectors are required to use the Site Inspection Report form and the Residential Inspection Checklists (residential installations only), form #'s TDLR 053ihb, TLDR 067ihb, and TDLR 068ihb, and provide a copy to the industrialized builder for their records.

RECORDS AUDIT [Reference Department rule 70.50(b), and *Building Site Inspection Program* procedures]

An annual audit of units sold, leased, or installed by the builder shall be conducted by the Department. As an industrialized builder you are required to keep records of all modular units installed for a minimum of ten years. For modular units sold or leased but not installed by the industrialized builder you are required to keep records of all units for a minimum of five years. These records must be kept regardless if your registration is active or inactive.

The Department shall identify each unit in the audit by the manufacturer's name and registration number, manufacturer's serial number, and Texas decal or insignia number. The builder shall provide the following information to the Department for each unit identified in the audit, within the timeframe set by the audit.

- 1) Evidence of compliance with department rule 70.75. Department rule 70.75 requires the builder to provide the following to the purchaser:
 - a) the name, Texas registration number, and address of the manufacturer and industrialized builder;
 - b) a description of the location of the data plate and explanation of the information thereon;
 - c) the floor plan of the building and schematic drawings of the plumbing, electrical, and heating/ventilation systems;
 - d) the location of the decal(s) or insignia on the module or modular components;
 - e) a site plan showing the on-site location of all utilities and utility taps;
 - f) a completed signed copy of the energy compliance checklist.

- 2) The address where each unit was installed. If the builder is not responsible for the installation, then the address to where each unit was delivered.
- 3) The occupancy use of each building containing modules or modular components, i.e., classroom, restaurant, bank, equipment shelter, etc.
- 4) Identification of the type of foundation system, either permanent or temporary, on which each unit was installed. NOTE: Residential units must be installed on a permanent foundation.

If the builder is responsible for the installation and site work, then the builder:

- a) shall, for units installed outside the jurisdiction of a municipality, keep a copy of the foundation plans and, for units installed on a permanent foundation, keep a copy of the site inspection report in accordance with department rule 70.73 (relating to Responsibilities of the Registrants – Building Site Inspections). A copy of these documents shall be made available to the department upon request; or
- b) shall, if installed within the jurisdiction of a municipality, provide the name of the city responsible for the site inspection.

If the builder is not responsible for the installation and site work, then the builder shall provide identification of the installation permit number, assigned by the Department, or builder registration number, assigned by the Department, of the person responsible.

Copies of all documents referenced in this bulletin may be downloaded from our web site at www.license.state.tx.us. While you're checking out the web site, take a few minutes and subscribe to our email subscriber list and become one of the first to be informed of upcoming events and changes related to the IHB program.

You may contact us by phone or email at (512) 463-7353 or industrialized.buildings@license.state.tx.us if you have questions or require further information.