

**RULES
OF
THE DEPARTMENT OF COMMERCE AND INSURANCE
DIVISION OF FIRE PREVENTION**

**CHAPTER 0780-02-13
MODULAR BUILDING UNITS**

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0780-02-13-.01 DEFINITIONS.

- (1) For purposes of this chapter, unless the context otherwise requires, the definitions of terms contained in T.C.A. § 68-126-303 are applicable. In addition:
 - (a) "Approved construction inspection agency" means an approved inspection agency which is responsible for performing the functions described in Rule 0780-02-13-.07.
 - (b) "Approved design review agency" means an approved inspection agency which is responsible for performing the functions described in Rule 0780-02-13-.05.
 - (c) "Approved Construction Inspection Program" means the third-party inspection program utilizing a design review agency and construction inspection agency.
 - (d) "Building system" means model plans, specifications, and documentation for a system or type of modular building unit, or for the foundation, structural, electrical, mechanical, plumbing, gas, fire protection, or other system(s) thereof affecting health and safety.
 - (e) "Closed construction" means any modular building unit, component, assembly, or system manufactured in such a manner that all concealed parts or processes of manufacturing cannot be inspected before installation at the site without disassembly, damage, or destruction.
 - (f) "Commissioner" means the Commissioner of Commerce and Insurance.
 - (g) "Commissioner's Inspection Review Program" means the State Fire Marshal's inspection programs authorized in Tenn. Comp. R. & Regs. 0780-02-23 for one and two family dwellings, in Tenn. Comp. R. & Regs. 0780-02-03 for commercial structures, and in Tenn. Comp. R. and Regs. 0780-02-01 for electrical installations.
 - (h) "Compliance assurance program" means the system, documentation, and methods of assuring that modular building units and their components, including the manufacturing, storage, transportation, assembly, handling, and installation thereof, conform to the standards.

(Rule 0780-02-13-.01, continued)

- (i) "Component" means any assembly, sub-assembly, or combination of elements for use as a part of a modular building unit, which may include the structural, electrical, mechanical, plumbing, fire protection, or other system(s) thereof affecting life safety.
- (j) "Damage" means any impairment, adulteration, or breakage occurring to a modular building unit, or any part thereof, that causes it not to comply with the standards.
- (k) "Dealer" means any person engaged in the sale, brokerage, or distribution, by consignment or otherwise, of modular building units or components to persons who in good faith purchase such units or components for purposes other than resale.
- (l) "Department" means the Department of Commerce and Insurance.
- (m) "Director" means the director of the modular building units section of the Division of Fire Prevention.
- (n) "Division" means the Division of Fire Prevention of the Department of Commerce and Insurance.
- (o) "Installer" means any person engaged in the assembly of modular building units on-site or the process of affixing components to land, a foundation, footings, utilities, or an existing building.
- (p) "Label" means an insignia approved by the Department for certifying compliance with the standards.
- (q) "Manufacturer" means any person engaged in the process of making, fabricating, constructing, forming, assembling, or reassembling modular building units or components from raw, unfinished, semi-finished, or finished materials.
- (r) "Model" means a specific design of modular building unit which is based upon size, room arrangement, method of construction, location, arrangement or size of plumbing, mechanical or electrical equipment, and systems therein in accordance with plans and specifications submitted to an approved design review agency.
- (s) "Open construction" means any modular building unit, component, assembly, or system manufactured in such a manner that all portions can be readily inspected at the site without disassembly, damage, or destruction.
- (t) "Person" means any individual, firm, association, partnership, or corporation.
- (u) "Site" means the location on which a modular building unit is installed or is to be installed.
- (v) "Sleeping Cabin" means a recreational building or structure used as a transient occupancy with not more than twelve (12) occupants that does not contain a kitchen. A Sleeping Cabin is not a Sleeping Unit as defined by the International Building Code, Section 202.
- (w) "Standards" means the standards for the construction and installation of modular building units established by Rule 0780-02-13-.02.
- (x) "Standard design" means any modular building unit, component, model or series intended for duplication or repetitive manufacture.

(Rule 0780-02-13-.01, continued)

- (y) "System prototype" means a specific design or modular building unit designated by the manufacturer to be the standard for imitation reproduction. A system prototype may include options that do not affect the performance function of any system.

Authority: T.C.A. §§ 68-102-113, 68-126-302, 68-126-303, and 68-126-305. **Administrative History:** Original rule filed September 17, 1986; effective November 1, 1986. Amendment filed June 10, 2004; effective August 24, 2004. Amendment filed June 15, 2009; effective August 29, 2009. Amendments filed March 31, 2021; effective June 29, 2021.

0780-02-13-.02 STANDARDS AND INSPECTION PROGRAMS.

- (1) Unless otherwise provided by applicable law or the provisions of this chapter, the standards for the construction and installation of modular building units in the State of Tennessee shall be those prescribed in:
- (a) The National Electrical Code, as adopted in Chapter 0780-02-01-.02 [Adoption by Reference];
 - (b) The International Building Code, as adopted in Chapter 0780-02-02-.01 [Adoption by Reference], except that:
 - 1. Section 1204.1 does not apply to stand alone toilet facilities that are not used in the months of December through February and are winterized in accordance with the manufacturer instructions; and
 - 2. Sleeping Cabins are not required to have minimum plumbing facilities within the structure as required by Table 2902.1, but must have minimum plumbing fixtures located not more than two hundred (200) feet from the nearest door;
 - (c) The International Fire Code as adopted in Chapter 0780-02-02-.01 [Adoption by Reference];
 - (d) For state buildings, educational occupancies, and any other occupancy requiring an inspection by the state fire marshal for initial licensure, the Life Safety Code as adopted in Chapter 0780-02-02-.01 [Adoption by Reference];
 - (e) The International Mechanical Code as adopted in Chapter 0780-02-02-.01 [Adoption by Reference];
 - (f) The International Fuel Gas Code as adopted in Chapter 0780-02-02-.01 [Adoption by Reference];
 - (g) The International Plumbing Code as adopted in Chapter 0780-02-02-.01 [Adoption by Reference], except that:
 - 1. Structures classified as Business (Group B) and Storage (S-1 or S-2), that are not intended for use by the general public and that have the required number of plumbing fixtures within five hundred (500) feet of the nearest door, are not required to have the minimum number of toilet facilities in accordance with Table 403.1 within the structure itself;
 - 2. Sleeping Cabins are not required to have minimum plumbing facilities within the structure as required by Table 403.1, but must have minimum plumbing fixtures located not more than two hundred (200) feet from the nearest door;

(Rule 0780-02-13-.02, continued)

- (h) The International Energy Conservation Code as adopted in Chapter 0780-02-02-.01 [Adoption by Reference];
 - (i) The Tennessee Public Buildings Accessibility Act, T.C.A. §§ 68-120-201 to -205), where applicable; and
 - (j) Safety Glazing Materials, T.C.A. §§ 68-120-301 to -306, where applicable.
- (2) In the event of a conflict or inconsistency among the codes herein adopted by reference, the more stringent code provision shall prevail.
- (3) In lieu of the codes listed in subparagraphs (1)(b) through (1)(e) and (1)(i) above, the International Residential Code for One and Two Family Dwellings as adopted in Chapter 0780-02-23-.02 [Adoption by Reference] may be used for any “dwelling” (as defined therein) covered by such code. This includes units that a manufacturer designates or describes as being a “tiny home” where all of the following apply:
- (a) The unit is built upon a fixed chassis but does not fall under the regulation of the U.S. Department of Housing and Urban Development;
 - (b) The unit is designed primarily for use as a dwelling unit that includes permanent provisions for water supply and sanitation; and
 - (c) The unit is provided with an engineered anchoring system design for permanent installation.
- (4) This rule shall not be construed as adopting any provision of the cited publications which establishes:
- (a) An optional or recommended, rather than mandatory, standard or practice; or
 - (b) Any agency, procedure, fees, or penalties for administration or enforcement purposes.
- (5) In order to provide a transition period for the application of newly adopted codes, for a period of one hundred and twenty (120) days after the effective date of a code change, a manufacturer may begin construction of modular units based on previously approved plans for the codes that were in effect on the day immediately prior to the effective date of the newly adopted codes.
- (6) Inspections shall be conducted through one of the following programs:
- (a) Approved Construction Inspection Program; or
 - (b) Commissioner’s Inspection Program (residential or commercial and electrical).

Authority: T.C.A. §§ 68-102-113 and 68-126-305. **Administrative History:** Original rule filed September 17, 1986; effective November 1, 1986. Amendment filed November 20, 1987; effective January 4, 1988. Amendment filed October 2, 1989; effective January 29, 1990. Amendment filed June 10, 2004; effective August 24, 2004. Amendment filed June 15, 2009; effective August 29, 2009. Amendments filed March 31, 2021; effective June 29, 2021.

0780-02-13-.03 LICENSES.

- (1) (a) No person shall engage in business as a manufacturer of modular building units for sale or installation in the State of Tennessee without first having obtained a manufacturer’s license from the Department.

(Rule 0780-02-13-.03, continued)

- (b) No person shall engage in business as a dealer of modular building units in the State of Tennessee without first having obtained a dealer’s license from the Department.
 - (c) No person shall engage in business as an installer of modular building units in the State of Tennessee without first having obtained an installer’s license from the Department.
- (2) A separate license shall be required for each manufacturing facility operated by a manufacturer, or place of business operated by a dealer or installer under this chapter.
- (3) An application for a license required hereunder shall be submitted on the form prescribed by the Department, and accompanied by a non-refundable application fee as follows:
- | | |
|--------------------|----------|
| Manufacturer | \$150.00 |
| Dealer..... | \$150.00 |
| Installer..... | \$150.00 |
- (4) The application shall be submitted on a form prescribed by the Department and include the following information:
- (a) Name and address of the applicant;
 - (b) Ownership and management of the applicant’s business;
 - (c) The applicant’s experience in modular building unit manufacturing, sales, or installation;
 - (d) Any manufacturer’s, dealer’s or installer’s licenses held by the applicant in this or another state;
 - (e) Any disciplinary action affecting any such licenses;
 - (f) If applying to be a manufacturer, under which inspection program the manufacturer will operate, and
 - (g) Any other information necessary to effectively administer the program.
- (5) The Department shall be notified in writing of any change in the information furnished in an application, prior to and throughout licensure, within thirty (30) days of such change.
- (6) The Department shall issue a license to qualified applicants upon receipt of the appropriate license fee as follows:
- | | |
|--------------------|-----------|
| Manufacturer | \$1000.00 |
| Dealer..... | \$500.00 |
| Installer..... | \$250.00 |
- (7) All licenses issued hereunder are not transferable or assignable and shall expire on June 30 of each year and are invalid from that date onward unless renewed. An initial license that is issued between April 1 and June 30 during any given year shall expire on June 30 of the following year.
- (8) An application for renewal of a license shall be submitted on the form prescribed by the Department, and accompanied by the appropriate renewal fee as follows:

(Rule 0780-02-13-.03, continued)

Manufacturer	\$ 500.00
Dealer.....	\$ 250.00
Installer.....	\$ 150.00

- (9) Any manufacturer, dealer, or installer who fails to renew such manufacturer's, dealer's, or installer's license on or before its expiration date, June 30, and until August 31 shall be required to pay one-half (1/2) of the license fee, in addition to the fee established in paragraph (9) of this rule.
- (10) Any manufacturer, dealer, or installer who has failed to renew his or her manufacturer's, dealer's or installer's license as of September 1 of each year shall be required to apply for a new license as prescribed in paragraphs three (3) through (6) of this rule.
- (11) Any change of ownership shall require a new license.
- (12) Any applicant for a new or renewal of a license as a manufacturer, dealer or installer of modular building units shall submit a surety bond executed by the applicant (as principal) and by a surety company qualified to do business in this state (as surety).

- (a) Each bond shall be for the benefit of any person who suffers loss or damage resulting from code-related non-compliance with the Tennessee Modular Building Act or the rules duly promulgated thereunder by such manufacturer, dealer or installer.

- (b) The bond shall be in the following amounts:

Manufacturer	\$100,000.00
Dealer.....	\$50,000.00
Installer.....	\$25,000.00

- (c) Each bond shall cover code-related non-compliances occurring during the license period. A new bond or proper continuation certificate shall be submitted with each application for license renewal. The aggregate liability of the surety for code-related non-compliances occurring in each license year shall in no event exceed the amount of the bond for that year. If applicant can show proof of an effective bond or insurance coverage that would cover the manufacture of a modular building unit, such as a requirement under the Board of Licensing Contractors, this section does not require a separate bond.

- (d) A separate bond shall be required for each place of business operated by a manufacturer, dealer or installer.

- (13) An application for a new or renewal of a license will not be considered complete until all required information, the bond and fees have been submitted.

Authority: T.C.A. §§ 68-102-113 and 68-126-305. **Administrative History:** Original rule filed September 17, 1986; effective November 1, 1986. Amendment filed June 10, 2004; effective August 24, 2004. Amendment filed June 15, 2009; effective August 29, 2009. Amendments filed March 31, 2021; effective June 29, 2021.

0780-02-13-.04 APPROVAL OF DESIGN REVIEW AGENCIES.

- (1) No person shall act as a design review agency under this Chapter without a valid letter of approval from the Department.

(Rule 0780-02-13-.04, continued)

- (2) An application for approval as a design review agency shall be submitted on the form prescribed by the Department. The applications shall be accompanied by:
 - (a) A non-refundable original application fee of five hundred dollars (\$500.00); and
 - (b) A prospectus describing:
 1. The applicant's qualifications to review plans, specifications, and building systems of modular building units or components for compliance with the standards;
 2. The education and qualifications of the employees who would conduct the actual reviews of plans, specifications, and building systems;
 3. The management and professional personnel (including an architect or engineer duly registered in the State of Tennessee) responsible for compliance with the provisions of this Chapter;
 4. The applicant's experience in third-party design review;
 5. The applicant's organizational structure; and
 6. The relationship which the applicant would establish with approved construction inspection agencies to ensure that modular building units and components are produced in accordance with the standards.
- (3) The Department shall be notified in writing of any change in the information furnished in an application, prior to and throughout licensure, within thirty (30) days of such change.
- (4) The Department shall issue a letter of approval to qualified applicants.
- (5) All approvals issued under this rule shall expire on June 30 of each year. An initial approval that is issued between April 1 and June 30 during any given year shall expire on June 30 of the following year.
- (6) An application for renewal of an approval shall be submitted on the form prescribed by the Department, and accompanied by a non-refundable renewal application fee of two hundred and fifty dollars (\$250.00).
- (7) Any design review agency that fails to renew such design review agency's approval on or before its expiration date, June 30, and until August 31 shall be required to pay one-half (1/2) of the approval fee, in addition to the fee established in paragraph (6) of this rule.
- (8) Any design review agency that has failed to renew such design review agency's approval as of September 1 of each year shall be required to apply for a new approval as prescribed in paragraph two (2) of this rule.
- (9) Any change of ownership shall require a new approval.

Authority: T.C.A. §§ 68-36-302 through 68-36-305, 68-102-113, 68-126-302, and 68-126-305.
Administrative History: Original rule filed September 17, 1986; effective November 1, 1986. Amendment filed June 10, 2004; effective August 24, 2004. Amendment filed June 15, 2009; effective August 29, 2009. Amendments filed March 31, 2021; effective June 29, 2021.

0780-02-13-.05 RESPONSIBILITIES OF APPROVED DESIGN REVIEW AGENCIES.

- (1) Each approved design review agency shall discharge the following responsibilities:
 - (a) Investigation, evaluation, testing, review, and if justified, approval of the standards of each model building system (or amendment thereto) submitted by the manufacturer(s) which such agency serves;
 - (b) Investigation, evaluation, and, if justified, approval of the compliance assurance program (or amendment thereto) relating to the manufacture of modular building units and components described in each set of building system documentation submitted to such agency;
 - (c) Preparation and periodic revision, as necessary, of the building system approval report for each set of approved building system documentation and related compliance assurance program; and
 - (d) Preparation of all reports which the Department may reasonably require in carrying out its responsibilities under this Chapter.
- (2) An approved design review agency shall not perform any consulting engineering services relating to modular building units or components for any manufacturer which such agency serves.

Authority: T.C.A. §§ 68-36-302 through 68-36-305, 68-102-113, 68-126-302, and 68-126-305.
Administrative History: Original rule filed September 17, 1986; effective November 1, 1986. Amendment filed June 10, 2004; effective August 24, 2004.

0780-02-13-.06 APPROVAL OF CONSTRUCTION INSPECTION AGENCIES.

- (1) No person shall act as a construction inspection agency under this Chapter without a valid letter of approval from the Department.
- (2) An application for approval as a construction inspection agency shall be submitted on the form prescribed by the Department. The application shall be accompanied by:
 - (a) A non-refundable original application fee of five hundred dollars (\$500.00);
 - (b) A prospectus describing:
 1. The applicant's qualifications to inspect equipment systems;
 2. The education and qualifications of the employees who would conduct the actual inspections;
 3. The applicant's experience in third-party inspections;
 4. The applicant's organizational structure;
 5. The relationship which the applicant would establish with approved design review agencies to ensure that modular building units and components are produced in accordance with the standards; and
 - (c) Proof that all employees who conduct inspections have certifications from at least one (1) of the following nationally recognized code organizations:

(Rule 0780-02-13-.06, continued)

1. National Fire Protection Association (NFPA); or
 2. International Code Council (ICC);
 3. Southern Building Code Congress International (SBCCI);
 4. Building Officials and Code Administrators International (BOCA); or
 5. International Conference of Building Officials (ICBO).
- (3) The Department shall be notified in writing of any change in the information furnished in an application, prior to and throughout licensure, within thirty (30) days of such change.
 - (4) The Department shall issue a letter of approval to qualified applicants.
 - (5) All approvals issued under this rule shall expire on June 30 of each year. An initial approval that is issued between April 1 and June 30 during any given year shall expire on June 30 of the following year.
 - (6) An application for renewal of an approval shall be submitted on the form prescribed by the Department prior to expiration, and accompanied by a non-refundable renewal application fee of two hundred and fifty dollars (\$250.00).
 - (7) Any construction inspection agency that fails to renew such construction inspection agency's approval on or before its expiration date, June 30, and until August 31 shall be required to pay one-half (1/2) of the approval fee, in addition to the fee established in paragraph (6) of this rule.
 - (8) Any construction inspection agency that has failed to renew such construction inspection agency's approval as of September 1 of each year shall be required to apply for a new approval as prescribed in paragraph two (2) of this rule.
 - (9) Any change of ownership shall require a new approval.

Authority: T.C.A. §§ 68-102-113, 68-126-302, and 68-126-305. **Administrative History:** Original rule filed September 17, 1986; effective November 1, 1986. Amendment filed June 10, 2004; effective August 24, 2004. Amendment filed June 15, 2009; effective August 29, 2009. Amendments filed March 31, 2021; effective June 29, 2021.

0780-02-13-.07 RESPONSIBILITIES OF APPROVED CONSTRUCTION INSPECTION AGENCIES.

- (1) Each approved construction inspection agency shall discharge the following responsibilities:
 - (a) Monitoring the compliance assurance program of each manufacturer which such agency serves;
 - (b) Verifying that modular building units and components have been manufactured pursuant to approved building system documentation and an approved compliance assurance program;
 - (c) Authorizing the attachment of labels to such modular building units and components; and
 - (d) Preparing all reports which the Department may reasonably require in carrying out its responsibilities under this Chapter, including monthly inspection reports and monthly

(Rule 0780-02-13-.07, continued)

production reports (Form A). These reports may be required to be submitted electronically.

(2) Initial Plant Certification Inspection

- (a) No label shall be affixed to any modular building unit or component until the approved construction inspection agency has completed an initial plant certification inspection of the manufacturer's facility. The initial plant certification inspection for manufacturers located outside the State of Tennessee must be performed on the first unit designated for placement in the State of Tennessee. The initial plant certification inspection for manufacturers located inside the State of Tennessee must be performed on the first unit placed into production.
- (b) The initial plant certification inspection shall consist of a complete evaluation of the manufacturer's adherence to its compliance assurance program and capability of producing a unit, including any component(s), in accordance with the approved building system.
- (c) The approved construction inspection agency shall become familiar with every aspect of the manufacturer's approved building system and compliance assurance program.
- (d) The approved construction inspection agency shall make a complete inspection of the manufacture of at least one modular building unit and any component(s) pertaining to that particular unit throughout all of the operation in the facility. If the first unit inspected or any component(s) pertaining to that particular unit fails to conform to the standards, additional units and component(s) shall be similarly inspected until the agency is satisfied that the manufacturer is complying with the approved building system and the standards.

(3) Plant Certification Report. If, on the basis of the initial plant certification inspection, the approved construction inspection agency determines that the manufacturer is in compliance with its approved building system, compliance assurance program, and the standards, the agency shall prepare and forward to the Department a certification report within thirty (30) days of the completion of the initial plant certification inspection. The certification report shall include:

- (a) The name and address of the manufacturing facility;
- (b) The name of the approved design review agency which approved the manufacturer's building system and compliance assurance program, and the dates of approval;
- (c) The names and titles of the inspection agency personnel performing the initial plant certification inspection;
- (d) The serial numbers of the modular building units or components inspected;
- (e) A full report of all inspections conducted, nonconformities observed and corrective actions taken;
- (f) The date of certification; and
- (g) The label number(s) assigned to the unit.

(4) Frequency of Inspections

(Rule 0780-02-13-.07, continued)

- (a) After initial plant certification, the approved construction inspection agency shall inspect:
 - 1. Each modular building unit or component in at least one stage of construction; and
 - 2. Every stage of construction during the course of each inspection visit to a manufacturing facility.
- (b) The Department may waive compliance with a compliance assurance program at the request of the manufacturer. Upon the grant of such waiver, the manufacturer shall have each modular building unit or component which it produces completely inspected by an approved construction inspection agency.
- (c) The approved construction inspection agency shall conduct unannounced inspections at the manufacturing site to review any aspects of the manufacturing process.
- (d) Nothing in this paragraph shall preclude an approved construction inspection agency from conducting inspections at a greater frequency than the minimum prescribed herein if, in the agency's or Department's professional judgment, such action is necessary to discharge its responsibilities properly. In determining the appropriate frequency of inspection for any manufacturer, an approved construction inspection agency should consider such factors as:
 - 1. The production volume of the factory;
 - 2. The complexity of the design;
 - 3. The qualifications of the manufacturer's quality control personnel;
 - 4. The experience record of the manufacturer; and
 - 5. The failure to follow compliance assurance procedures.

Authority: T.C.A. §§ 68-36-302 through 68-36-305, 68-102-113, 68-126-302, and 68-126-305. **Administrative History:** Original rule filed September 17, 1986; effective November 1, 1986. Amendment filed June 10, 2004; effective August 24, 2004. Amendments filed June 15, 2009; effective August 29, 2009. Amendments filed March 31, 2021; effective June 29, 2021.

0780-02-13-.08 COMBINED AGENCIES. Nothing in this Chapter shall preclude the Department from approving a qualified person as both a Design Review and Construction Inspection agency. The Design Review Agency and the Construction Inspection Agency need not be the same agency. However, a manufacturing facility may not have multiple Design Review Agencies or multiple Construction Inspection Agencies at the same time.

Authority: T.C.A. §§ 68-102-113, 68-126-302, and 68-126-305. **Administrative History:** Original rule filed September 17, 1986; effective November 1, 1986. Amendment filed June 10, 2004; effective August 24, 2004.

0780-02-13-.09 BUILDING SYSTEMS AND COMPLIANCE ASSURANCE PROGRAMS.

- (1) Approval Required for the Approved Construction Inspection Program.
 - (a) No modular building unit or component shall be manufactured for sale or installation in this state until the building system and compliance assurance program therefor have been approved by an approved design review agency and filed with the Department.

(Rule 0780-02-13-.09, continued)

- (b) Separate approval of a building system and compliance assurance program must be obtained for each manufacturing facility at which the manufacturer intends to produce modular building units or components.
 - (c) The manufacturer shall submit three (3) copies of or an electronic copy, in a form acceptable to the Department, of the proposed building system and compliance assurance program documentation to an approved design review agency in the manner prescribed in this rule.
- (2) Submission of Building Systems.
- (a) General Requirements.
 - 1. A model building system shall bear the name, address, phone number, fax number, signature, date and seal of the responsible architect and/or engineer, duly registered in the State of Tennessee, certifying that the model building system complies with applicable standards. The model building system must be sealed in accordance with the statutes and rules concerning the practice of architecture and engineering in Tennessee.
 - 2. All documents submitted shall indicate the manufacturer's name, office address, e-mail address, telephone number, fax number and the address of the manufacturing facility. Where a manufacturer operates more than one facility, each facility shall be assigned a sequential plant number and all documentation shall include the appropriate plant number.
 - 3. The manufacturer shall submit plans showing all elements relating to specific systems on properly identifiable separate sheets. All sheets shall contain the plan number (identified as "plan number") assigned by the architect or engineer and a blank rectangular space near the title box for the approved design review agency's stamp of approval. The above mentioned plan number shall identify the manufacturer by using the initials of the manufacturer's company name and sequential numbering for each submittal. All Compliance Assurance Manual revisions will be assigned a sequential revision number.
 - 4. All work to be performed on-site, including location and connection of all equipment, appliances, and systems, including fire protection sprinkler systems and commercial hood and duct systems, shall be identified and distinguished from work to be performed in the manufacturing facility.
 - 5. The nature, grade, and quality of all materials shall be specified.
 - 6. Design drawings, details, calculations and test reports shall be submitted when required or requested by the Department. These items may be required to be submitted electronically.
 - 7. Design drawings and details shall be drawn to scale, dated, and identified. The number of sheets in each set shall be indicated in an index on the cover sheet.
 - 8. Floor plans shall indicate the location of the label(s) and manufacturer's data plate.
 - 9. Floor plans shall also identify the use of all rooms and spaces by name and/or number.

(Rule 0780-02-13-.09, continued)

10. A properly completed submittal form and fee (Rule 0780-02-13-.09(4)(b)) shall be submitted for each compliance assurance manual, building system manual, model, plan, design specification or revision.
 - (b) Required construction details for each set of model plans.
 1. The building system for a modular building unit shall provide or show, but not be limited to, the following details, including the method of their testing or evaluating (or both):
 - (i) General:
 - (I) Details and methods of installation of modular building units or components on foundations and/or to each other;
 - (II) All exterior elevations;
 - (III) Cross sections as necessary to identify major building components;
 - (IV) Details of flashing, such as at openings and at penetrations through roofs and sub-component connections. Indicate flashing material and gauge to be used;
 - (V) Attic access and attic ventilation;
 - (VI) Exterior wall, roof, and soffit material as well as finish;
 - (VII) Interior wall, floor, and ceiling finish material;
 - (VIII) Tenant separation walls with UL or equivalent assembly details and all application instructions;
 - (IX) Sizes, locations and types of doors and windows, and a complete hardware schedule;
 - (X) Recommended foundation plans, vents, and under-floor access;
 - (XI) Insulation value for water, piping, air ducts, walls, attic flues, and ground flues (if above grade); and
 - (XII) Information contained in the manufacturer's data plate;
 - (ii) Component Usage:
 - (I) Occupancy classification;
 - (II) Area, height and number of stories;
 - (III) Type of construction;
 - I. Construction Type; and
 - II. Sprinklered or Unsprinklered;
 - (IV) Fire resistance ratings; and

(Rule 0780-02-13-.09, continued)

- (V) Occupant load;
- (iii) Space and Fire Safety:
 - (I) Detail of fire resistance rated assemblies, and all application instructions for all stairway enclosures, doors, including door frames, hardware and other accessories, walls, tenant separation walls, floors, ceilings, partitions, columns, roof, and shaft enclosures;
 - (II) Details as to width of all aisles, exits, corridors, passageways, and stairway enclosures;
 - (III) Flame spread and smoke development classification of finished materials;
 - (IV) Fire stopping details, and all application instructions for penetrations of all rated construction; and
 - (V) Location of all smoke detectors;
- (iv) Structural:
 - (I) Engineer's calculations of structural members, framing, and foundation, where appropriate;
 - (II) Design soil bearing value;
 - (III) Structural and framing details of all floors, walls, and roof;
 - (IV) Details and stress diagrams of roof trusses;
 - (V) Details of reinforcing steel;
 - (VI) Complete loading schedule, including roof, handrail, guardrail, floor, wind, snow, and seismic loading;
 - (VII) Column loads and column schedule;
 - (VIII) Lintel schedule;
 - (IX) Size, spacing, and details of all structural elements;
 - (X) Grade or quality of all structural elements (lumber, steel, etc.);
 - (XI) Elevation of structural elements, walls, or sections thereof providing resistance to vertical loads or lateral forces; and
 - (XII) Complete details of all structural connections;
- (v) Mechanical:
 - (I) Separate floor plan(s) with the location of all equipment and appliances. Indicate equipment and appliances listed or labeled by approved agencies;
 - (II) Heat gain and loss calculations;

(Rule 0780-02-13-.09, continued)

- (III) Manufacturer's name, make, model, number, BTU, input rating of all equipment and appliances, as appropriate, or the equivalent thereof;
 - (IV) Duct and register locations, sizes, and materials;
 - (V) Clearances from combustible material or surfaces for all ducts, flues, and chimneys;
 - (VI) Method of providing required combustion air and return air;
 - (VII) Location, size, and weight of flues, vents, and chimneys and clearances from air intakes and other vents and flues;
 - (VIII) Details regarding dampers in duct penetrating fire separations;
 - (IX) Complete drawings of fire sprinkler system, standpipe system, and fire alarm system. Site water flow requirements are subject to the local authority having jurisdiction; and
 - (X) Detail of elevator or escalator system, including method of emergency operation;
- (vi) Plumbing:
- (I) Separate floor plan(s) and/or schematic drawing(s) of the plumbing layout, including, but not limited to, size of piping, fittings, traps and vents, cleanouts and valves, of gas, water, waste and drainage system(s);
 - (II) Plumbing materials, and location of all equipment and appliances to be used. Indicate the fixture unit capacity of the system(s) and make, model, and rating/capacity of equipment and appliances. Indicate equipment and appliances listed or labeled by approved agencies;
 - (III) Make and model of safety controls (such as for water heaters), their location, and whether listed or labeled by approved agencies;
 - (IV) Method of supporting piping and intervals of support;
 - (V) I. Location, size and height of vents above roofs and required clearances, including, but not limited to, clearances from air intakes, other vents, and flues; and
II. Location, size and access to automatic air admittance valves;
 - (VI) Location and methods of penetration of piping through load-bearing structural members; and
 - (VII) Methods of testing; and
- (vii) Electrical:
- (I) Separate floor plan(s) with single line diagram of the entire electrical installation;

(Rule 0780-02-13-.09, continued)

- (II) Load calculations for service and feeders;
 - (III) Sizes of all feeders and branch circuits;
 - (IV) Size, rating, and location of main disconnect/overcurrent protective devices;
 - (V) Method of interconnection between modular building units or components and location of connections;
 - (VI) Location of all outlets and junction boxes; and
 - (VII) Method of mounting fixtures and wiring installations.
2. The requirements of this subparagraph (b) shall apply to building systems for components only to the extent deemed necessary by the approved design review agency or the Department to permit proper evaluations of such components.
- (3) Submission of Compliance Assurance Programs.
- (a) General Requirements.
- 1. It is the responsibility of the manufacturer to:
 - (i) Execute every aspect of its compliance assurance program; and
 - (ii) Take any required corrective action with respect to such program.
 - 2. The manufacturer shall cooperate with the approved construction inspection agency by providing such agency with all necessary reports, information, documents, records, facilities, equipment samples, and other assistance for assuring compliance.
 - 3. An application for approval of a compliance assurance program shall be submitted in the form of a compliance assurance manual containing complete documentation of all the compliance assurance activities of the manufacturer. The manual shall include an index, and shall treat in detail the following material:
 - (i) Organizational Structure.
 - (I) An organizational structure (including names, training, and qualifications of responsible officers and employees) for implementing and maintaining the compliance assurance program, and its functional relationship to other elements of the manufacturer's organizational structure. The personnel in charge of the compliance assurance program must be independent of the production department.
 - (II) A uniform system of audit (in-depth analysis of program effectiveness and means to identify deficiencies) to monitor program performance periodically.
 - (III) Complete and reliable records of manufacturing and site operations (if any). (Suitable means of storage, preservation, and accessibility of copies of forms to be utilized shall be included.)

(Rule 0780-02-13-.09, continued)

- (IV) A system to control changes in production or inspection procedures.
 - (V) A system to assure that working drawings and specifications, working instructions and standards, procurement documents, etc., conform to the approved building system.
 - (VI) A serial numbering system for modular building units or components.
 - (VII) The method of storing, handling, issuing, attaching, and accounting for all labels to assure that they are attached only to modular building units or components manufactured pursuant to an approved building system and inspected pursuant to an approved compliance assurance program.
 - (VIII) A procedure for periodic revision of the manual.
- (ii) Materials Control.
- (I) Procedures to assure effective control over procurement sources to ensure that materials, supplies, and other items used in production and site operations (if any) conform to the approved building system.
 - (II) Procedures for inspection of materials, supplies, and other items at the point of receipt.
 - (III) Method of protection of materials, supplies, and other items against deterioration prior to their incorporation in the labeled modular building unit or component.
 - (IV) Provision for disposal of rejected materials, supplies, and other items.
- (iii) Production Control.
- (I) Procedures for timely remedial and preventive measures to assure product quality.
 - (II) Provision, maintenance, and use of testing and inspecting equipment to assure compliance with the approved building system.
 - (III) Provision for frequency of sampling inspections.
 - (IV) Provision of necessary authority to reject defective work and carry out compliance assurance functions, notwithstanding any conflict with production department goals and needs.
 - (V) A schematic detail of the manufacturing operation showing the location of inspection stations and hold points for mandatory inspection characteristics.
 - (VI) Inspection and test procedures, including accept/reject criteria and mandatory inspection characteristics.
 - (VII) Standards of workmanship.
 - (VIII) Provision for disposal of rejects.

(Rule 0780-02-13-.09, continued)

- (iv) Finished Product Control.
 - (I) Procedure for final inspection of all modular building units or components before shipment to the site or storage point, including identification and labeling.
 - (II) Procedure for handling and storing all finished modular building units or components, both at the manufacturing plant or other storage point and after delivery to the site.
 - (III) Procedure for packing, packaging, and shipping operations and related inspections.
- (v) Installation Control.
 - (I) Installation procedures, including component placement, equipment, and procedures, field erection and finishing work, utility connection instructions, and all appropriate on-site inspection criteria and test descriptions.
 - (II) Organization provisions for field repair and disposal of rejects.
- (4) Review and Approval.
 - (a) The approved design review agency shall evaluate the building system and compliance assurance program documentation to determine compliance with the standards. Such agency may require tests to determine whether a building system or compliance assurance program meets the standards if that determination cannot be made from evaluation of plans, specifications, and documentation alone.
 - (b) The approved design review agency shall approve the manufacturer's building system and compliance assurance program when it determines that they meet these standards. Within thirty (30) days of approval, such agency shall forward to both the manufacturer and Department a complete copy of the approved building system and compliance assurance program documentation, which the Department may require to be submitted electronically. Each set of model plans, building system manual or compliance assurance manual submittal to the Department shall be accompanied by:
 - 1. A filing fee of one hundred and fifty dollars (\$150.00); and
 - 2. For those making payment by over the Internet, payment of an internet payment processing fee, not to exceed two and one half percent (2 1/2%), to be used solely to defray the costs of any payments processed electronically.
 - (c) Commencement of Construction.
 - 1. All commercial Modular Building Unit plans must be submitted to the Department, and a Notification of Receipt and Filing Letter indicating the plans have been filed issued by the Department, prior to the commencement of construction of the Modular Building Unit. The construction inspection agency shall not inspect or allow a label to be affixed to any commercial Tennessee modular building unit for which plans have not been filed with the Department and a Notification of Receipt and Filing Letter issued.

(Rule 0780-02-13-.09, continued)

2. All plans for One and Two Family Dwellings must be submitted to the Department. Manufacturers of One and Two Family Dwellings may commence construction on the unit before the Department has issued the Notification of Receipt and Filing Letter indicating the plans have been filed; however, any deficiencies found prior to the issuance of the Notification of Receipt and Filing Letter must be remedied during the construction process before the modular building unit is permitted to be labeled.
- (5) Amendments. The procedures set out in this rule for submission, review, and approval of building systems and compliance assurance programs shall be followed with regard to proposed amendments thereto.
 - (6) Variations.
 - (a) No approved building system (or amendment thereto) shall be varied in any way without prior authorization by the approved design review agency and the documentation of such prior authorization being received and filed by the Department.
 - (b) All approved variations must be submitted to the Department and shall be made a part of the written record of the approval of the building system.
 - (7) Withdrawal of Approval.
 - (a) The Department or approved design review agency may withdraw the approval of any building system or compliance assurance program if:
 1. Such approval was granted in error;
 2. Such approval was granted on the basis of incorrect information; or
 3. Such building system or compliance assurance program fails to comply with the provisions of this chapter.
 - (b) The Department or agency instituting withdrawal of approval shall notify the manufacturer in writing within ten (10) days of the effective date of such withdrawal. Such notice shall clearly set forth the reasons for the withdrawal of approval.
 - (c) Upon such withdrawal of approval, the manufacturer shall not attach a label to any modular building unit or component manufactured pursuant to the building system or compliance assurance program whose approval was withdrawn. However, the Department or approved construction inspection agency may thereafter label such units or components as it determines to be in compliance with the standards after a complete inspection.
 - (d) The manufacturer shall return all unused labels allocated for modular building units or components to the Department within thirty (30) days after the effective date of withdrawal of approval of the building system or compliance assurance program pursuant to which such units or components are manufactured. The manufacturer shall also return to the Department all labels which it determines for any reason are no longer needed.

Authority: T.C.A. §§ 68-36-302 through 68-36-305, 68-102-113, and 68-126-305. **Administrative History:** Original rule filed September 17, 1986; effective November 1, 1986. Amendment filed June 10, 2004; effective August 24, 2004. Amendments filed June 15, 2009; effective August 29, 2009. Amendments filed March 31, 2021; effective June 29, 2021.

0780-02-13-.10 DATA PLATES.

- (1) The manufacturer shall place directly or by reference on one or more permanent data plates the following information:
 - (a) The manufacturer's name and address;
 - (b) The manufacturer's serial number of the unit or component;
 - (c) The label number(s);
 - (d) The date of manufacture;
 - (e) The name of the manufacturer and the model designation of each major factory installed appliance; and
 - (f) The title and edition of each applicable nationally recognized code with which the unit or component complies.
- (2) The data plate(s) shall also include the following information, if required by the standards:
 - (a) Identification of permissible type of gas for appliances and directions for water and drain connection;
 - (b) Snow, wind, seismic, and other live loads;
 - (c) Electrical ratings - instructions and warnings on voltage; and
 - (d) Special conditions or limitations on use of the unit or component, including unsuitability for areas in which specified environmental conditions prevail.
- (3) The data plate(s) shall be attached to the modular building unit or component in the vicinity of the electrical distribution panel, or in some other location where it will be readily accessible for inspection.
- (4) If, in the opinion of the Department, the shape or size of a component is such that a data plate cannot be attached to it permanently, the information required by this rule may be placed
 - (a) In a manual crated with the component, if such information will be needed by future occupants of the building; or
 - (b) On a tag attached to the crate in which the component is shipped, if such information will not be needed by future occupants of the building. If life safety is affected, the item in question shall be plainly designated.
- (5) The manufacturer shall keep a permanent record of the completed data plate on every modular building unit produced.

Authority: T.C.A. §§ 68-36-302 through 68-36-305, 68-102-113, and 68-126-305. **Administrative History:** Original rule filed September 17, 1986; effective November 1, 1986. Amendment filed June 10, 2004; effective August 24, 2004. Amendments filed March 31, 2021; effective June 29, 2021.

0780-02-13-.11 LABELS.

(1) The label shall be permanently attached to each transportable modular building unit to demonstrate all components accepted as having been manufactured in accordance with the standards. Modular buildings reviewed under the Approved Construction Inspection program shall have a label affixed by means of four (4) pop rivets or drive screws, on a permanent non-removable building component in a visible location as shown on the approved model building system. Modular buildings reviewed under Commissioner's Inspection Review Program shall have a label affixed to the electrical panel box.

(2) The Department will supply labels to approved construction inspection agencies upon request. Each label will be numbered, and will bear the following statement:

This modular building unit or component has been manufactured and inspected in accordance with the Tennessee Modular Building Act and rules promulgated thereunder. Unauthorized removal of this label is prohibited.

(3) The approved construction inspection agency and the manufacturer shall keep permanent records of the handling of all labels. A copy of such records shall be sent to the Department upon request. The records shall specify at least:

(a) The label number(s) attached to modular building units or components;

(b) Each unit or component to which a label has been attached, and the number of such label;

(c) The disposition of any damaged or rejected labels; and

(d) The location and custody of all unused labels.

(4) (a) The fee for each label to be attached to a modular building unit or component shall be fifty dollars (\$50.00).

(b) The fee for replacement of a lost, damaged, or removed label shall be fifty dollars (\$50.00) per label.

(c) The approved construction inspection agency shall collect all label fees from the manufacturer before assigning labels for attachment in a plant.

(d) Requests for labels shall be submitted electronically. Label fees shall be submitted in a method acceptable to the Department, which may include cash, check, money order or electronically. The department may charge an internet payment processing fee, not to exceed two and one half percent (2 1/2%), to those making payment over the Internet to be used solely to defray the costs of any payments processed electronically.

(e) The approved construction inspection agency shall forward all payment for labels to the Department within ten (10) days after receipt of such payment.

(5) (a) Units and components shall be labeled at the time of construction prior to leaving the manufacturing facility's production line, and prior to being placed on the facility yard.

(b) Once a unit or component has been labeled, no person may remove the label without obtaining prior authorization, in writing, from the Department.

(c) Manufacturers operating more than one facility may not transfer any labels without obtaining prior authorization, in writing, from the Department.

(Rule 0780-02-13-.11, continued)

Authority: T.C.A. §§ 68-102-113 and 68-126-305. **Administrative History:** Original rule filed September 17, 1986; effective November 1, 1986. Amendment filed November 20, 1987; effective January 4, 1988. Amendment filed June 10, 2004; effective August 24, 2004. Amendment filed June 15, 2009; effective August 29, 2009. Amendments filed March 31, 2021; effective June 29, 2021.

0780-02-13-.12 ALTERATIONS OF LABELED UNITS.

- (1) No modular building unit or component bearing a label shall be modified prior to or during installation unless an approved design review agency has approved the modification and obtained prior written approval from the Department.
- (2) An approved construction inspection agency or an inspector working under the Commissioner's Inspection Program shall inspect any modified component wherever it is located in Tennessee. Such inspection may include such tests or destructive or non-destructive disassembly as such agency or inspector with supervisor's approval deems necessary to assure compliance with this chapter.

Authority: T.C.A. §§ 68-36-302 through 68-36-305, 68-102-113, and 68-126-305. **Administrative History:** Original rule filed September 17, 1986; effective November 1, 1986. Amendment filed June 10, 2004; effective August 24, 2004. Amendments filed March 31, 2021; effective June 29, 2021.

0780-02-13-.13 REMOVAL OF LABELS.

- (1) The Department or an approved inspection agency shall remove or cause to be removed any labels from modular building units or components found not to comply with the manufacturer's approved building system or approved compliance assurance program.
- (2) The Department or agency instituting removal of a label shall send the manufacturer a written notice setting forth the reasons for such removal within ten (10) days thereafter.

Authority: T.C.A. §§ 68-36-302 through 68-36-305. **Administrative History:** Original rule filed September 17, 1986; effective November 1, 1986.

0780-02-13-.14 INSTALLATION PROCEDURES.

- (1) The installation of a modular building unit or component shall conform to the specifications contained in the manufacturer's approved building system.
- (2) The manufacturer or dealer shall furnish the installer and affected local government with a complete set of installation specifications at least ten (10) days prior to the commencement of installation work.

Authority: T.C.A. §§ 68-36-302 through 68-36-305. **Administrative History:** Original rule filed September 17, 1986; effective November 1, 1986.

0780-02-13-.15 LOCAL GOVERNMENT PROCEDURES.

- (1) A local government may require, and charge a fee for, a building permit prior to the installation of a modular building unit or component. If requested by the local government, an applicant for such permit shall furnish:
 - (a) A statement, signed by the applicant or his agent (with the appropriate address), that the work to be performed under such permit will include the installation of a labeled modular building unit or component in accordance with the provisions of this Chapter; and

(Rule 0780-02-13-.15, continued)

- (b) A true copy of the approved building system pursuant to which the modular building unit or component was or is to be manufactured (unless that information has previously been furnished to such local government).
- (2) A local government may inspect site preparation work and foundations, as well as the structural, mechanical, plumbing, and electrical connection(s) among modular building units, for compliance with applicable law.

Authority: T.C.A. §§ 68-36-302 through 68-36-305, 68-102-113, and 68-126-305. **Administrative History:** Original rule filed September 17, 1986; effective November 1, 1986. Amendment filed June 10, 2004; effective August 24, 2004.

0780-02-13-.16 DEPARTMENT FUNCTIONS AND COMMISSIONER'S INSPECTION PROGRAM.

- (1) Inspections and Monitoring of the Approved Construction Inspection Program.
 - (a) The Commissioner and the Commissioner's authorized representatives may, at reasonable hours and without advance notice:
 - 1. Inspect any activities carried on by a manufacturer, dealer, installer, design review agency or construction inspection agency which are regulated under this chapter; and
 - 2. Monitor the performance of any approved design review agency or construction inspection agency in order to determine whether it is properly discharging its responsibilities under this chapter.
 - (b) With respect to any monitoring conducted pursuant to subparagraph (1)(a)2. above, the Department will:
 - 1. Keep on file in its offices a report of its findings;
 - 2. Send a copy of such report to any affected approved inspection agency; and
 - 3. Notify such agency of any deficiencies and the time by which they must be corrected.
- (2) Commissioner's Inspection Program.
 - (a) Residential Inspections for modular building units will be conducted as site-built construction as authorized in Tenn. Comp. R & Regs. 0780-02-23. All permits and inspections authorized in that chapter will be required for modular building units excluding footings and foundations.
 - (b) Commercial Inspections for modular building units will be conducted as site-built construction as authorized in Tenn. Comp. R. & Regs. 0780-02-02. All plans review and inspections authorized in that chapter will be required for modular building units.
 - (c) Electrical Inspections for modular building units will be conducted as site-built electrical installations as authorized in Tenn. Comp. R. & Regs. 0780-02-01. All permits and inspections authorized in that chapter will be required for modular building units.
- (3) Technical Services.

(Rule 0780-02-13-.16, continued)

- (a) Upon request, the Department will provide clarification in the field of technical data relating to the application of the standards.
 - (b) The fee for field technical services by the Department shall be forty dollars (\$40.00) per man-hour, plus all necessary expenses in accordance with the comprehensive travel regulations as promulgated by the Department of Finance and Administration and approved by the Attorney General. The minimum time billed shall be four (4) hours.
- (4) Damaged Units or Components.
- (a) The Department will require any damaged modular building unit or component to be brought into compliance with the standards promptly. If any such unit or component is not brought into compliance within a reasonable time, or if it is so damaged that it cannot be brought into compliance, the Department will order that label be removed from such unit or component.
 - (b) Irreparably damaged modular building units or components shall be disposed of in accordance with applicable law.

Authority: T.C.A. §§ 68-36-302 through 68-36-305, 68-102-113, and 68-126-305. **Administrative History:** Original rule filed September 17, 1986; effective November 1, 1986. Amendment filed June 10, 2004; effective August 24, 2004. Amendments filed June 15, 2009; effective August 29, 2009. Amendments filed March 31, 2021; effective June 29, 2021.

0780-02-13-.17 DISCIPLINARY PROCEEDINGS.

- (1) The Commissioner may refuse to issue or renew, or suspend or revoke, any license to act as a manufacturer, dealer, or installer, or any approval to act as a design review agency or construction inspection agency, on any of the following grounds:
 - (a) Obtaining or attempting to obtain such license or approval by fraud or misrepresentation;
 - (b) Violation of any provision of this Chapter or Tenn. Code Ann. Title 68, Chapter 126, Part 3;
 - (c) Willful or consistent failure to comply with the standards;
 - (d) Conviction in a court of competent jurisdiction of any crime relating to activities regulated by this chapter;
 - (e) Employment of fraudulent devices, methods, or practices in connection with activities regulated by this chapter;
 - (f) Offering for sale, either wholesale or retail, products of an unlicensed manufacturer;
 - (g) Offering for sale, either wholesale or retail, unlabeled modular building units or components;
 - (h) Having such license or approval refused, suspended, or revoked by another state;
 - (i) Any cause for which issuance of such license or approval could have been refused had it existed and been known to the Commissioner at the time of issuance; or
 - (j) Selling modular building units to an unlicensed dealer.

(Rule 0780-02-13-.17, continued)

- (2) The Department will notify all licensed manufacturers of any suspension or revocation of approval of a design review or construction inspection agency. Such notice will contain instructions as to the disposition of modular building units or components previously labeled by the agency whose approval has been suspended or revoked.
- (3) A design review or construction inspection agency whose approval has been suspended or revoked shall, within thirty (30) days of such suspension or revocation, deliver to the custody of the Department:
 - (a) Copies of all records required to have been kept by the agency; and
 - (b) All labels in the possession, or under the control or responsibility, of the agency.
- (4) The Commissioner may, in a lawful proceeding respecting any individual or entity required to be licensed, or approved or who is otherwise subject to regulation by the Department, in addition to or in lieu of any other lawful disciplinary action, assess a civil penalty for each separate violation of a statute or rule by such individual/entity. The amount of any such civil penalty assessed shall be a minimum of one hundred dollars (\$100.00) and shall not exceed five thousand dollars (\$5000.00) for each day of violation or for each act of violation.
 - (a) In determining the amount of a civil penalty the Commission may consider the following factors:
 - (i) Whether the amount imposed will be a substantial economic deterrent to the violator;
 - (ii) The circumstances leading to the violation;
 - (iii) The severity of the violation and the risk of harm to the public;
 - (iv) The economic benefits gained by the violator as a result of non-compliance; and
 - (v) The interest of the public.
 - (b) For purposes of the assessment of civil penalties pursuant to this rule, each separate act shall constitute a separate violation and each day of continued violation shall constitute a separate violation.

Authority: T.C.A. §§ 68-102-113, and 68-126-305. **Administrative History:** Original rule filed September 17, 1986; effective November 1, 1986. Amendment filed October 2, 1989; effective January 29, 1990. Amendment filed June 10, 2004; effective August 24, 2004. Amendment filed June 15, 2009; effective August 29, 2009.

0780-02-13-.18 CONTESTED CASES. The provisions of the Uniform Administrative Procedures Act (Tenn. Code Ann. Title 4, Chapter 5) shall govern all matters and procedures respecting the hearing and judicial review of any contested case (as defined therein) arising under this chapter.

Authority: T.C.A. §§ 68-36-302 through 68-36-305. **Administrative History:** Original rule filed September 17, 1986; effective November 1, 1986.

0780-02-13-.19 SEVERABILITY. If any provision of this chapter or the application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions of applications of the chapter which can be given effect without the invalid provision or application, and to that end the provisions of this chapter are declare to be severable.

(Rule 0780-02-13-.19, continued)

Authority: T.C.A. §§ 68-36-302 through 68-36-305. **Administrative History:** Original rule filed September 17, 1986; effective November 1, 1986.

0780-02-13-.20 APPLICABILITY. After January 4, 1988, the provisions of this chapter shall apply to all modular building units and components, including those not intended or used for residential occupancy, except any storage building having an area of less than one hundred fifty (150) square feet and no electrical or plumbing systems.

Authority: T.C.A. §§ 68-102-113 and 68-126-305. **Administrative History:** Original rule filed November 20, 1987; effective January 4, 1988. Amendment filed June 10, 2004; effective August 24, 2004.

0780-02-13-.21 DISPUTE RESOLUTION.

- (1) Disputes that arise during the process by which the Department reviews whether a modular building unit or component has been manufactured and inspected in accordance with the Tennessee Modular Building Act shall be resolved as follows:
 - (a) When a dispute arises between the owner, design review agency, construction inspection agency, manufacturer, installer, or contractor on a project and the Department as to the interpretation or applicability of a provision of the adopted codes and standards, the dispute shall be submitted to the Director for resolution.
 - (b) If the disputing party disagrees with the decision of the Director, the dispute shall be submitted to the Director's supervisor within the Division for resolution.
 - (c) If the disputing party disagrees with the decision of the Director's supervisor within the Division, the dispute shall be submitted to the Commissioner of Commerce and Insurance, or designee, for resolution.
 - (d) At any point during this process, the parties may agree to submit the dispute to the publisher of the applicable codes and standards for a written opinion.
- (2) The entire dispute resolution process set forth in paragraph (1) above shall be completed as quickly as possible, but no more than thirty (30) calendar days from the date that the dispute is first submitted for resolution, unless the dispute is submitted to the publisher of the codes and standards for an opinion or an extension is granted at the Commissioner's discretion.
- (3) If there are any fees charged by the publisher for rendering a written opinion, those fees shall be paid by the disputing party before an acknowledgement from the Department recognizing compliance with the Tennessee Modular Building Act is issued.

Authority: T.C.A. §§ 68-102-113, 68-126-302, and 68-126-305. **Administrative History:** New rule filed March 31, 2021; effective June 29, 2021.

0780-02-13-.22 EQUIVALENCIES.

- (1) Wherever there are practical difficulties involved in carrying out the provisions of this chapter and the codes and standards adopted in this chapter, the Commissioner, or designee, shall have the authority to grant modifications for individual cases, upon application of the owner or owner's representative, provided the Commissioner, or designee, shall first find that the special reason makes the strict application of the codes and standards adopted in this chapter impractical, that the modification is in compliance with the intent and purpose of the codes and standards adopted in this chapter, and that such modification does not lessen health, accessibility, life and fire safety, or structural requirements. The details of action granting modifications shall be recorded and kept in the files of the Division.

(Rule 0780-02-13-.22, continued)

- (2) The provisions of the codes and standards adopted in this chapter are not intended to prevent the installation of any material or to prohibit any design or method of construction not specifically prescribed by the codes and standards, provided that any such alternative has been approved. An alternative material, design or method of construction shall be approved where the Commissioner, or designee, finds that the proposed design is satisfactory, that it complies with the intent of the codes and standards adopted in this chapter, and that the material, method or work offered is, for the purpose intended, at least the equivalent of that prescribed by the codes and standards adopted in this chapter in quality, strength, effectiveness, fire resistance, durability and safety.
- (3) A party may request that an existing modular building unit be assigned a label if the party is currently licensed in Tennessee as a modular building unit manufacturer or retailer, or was licensed as such at the time of manufacture. The party shall provide the following information upon request:
 - (a) All plans by which the structure was constructed, sealed by a licensed Tennessee architect or engineer;
 - (b) Copies of all plant records pertaining to the inspection of the unit at the time of the manufacture, if applicable;
 - (c) A written statement from a Tennessee-approved third-party design review agency, Tennessee-approved construction inspection agency, or Tennessee licensed engineer or architect, which provides that the modular building unit meets all current applicable codes and regulations for the construction of modular building. Dismantling of part of the structure may be required in order to ensure that the structural, plumbing, mechanical, and electrical systems are compliant;
 - (d) The location on which the structure will be installed;
 - (e) Whether the structure will be privately or publicly owned;
 - (f) Other states' programs, if applicable, that have approved the structure as a modular building unit, including contact information and any applicable plan number or other identifying information for such approval; and
 - (g) Any and all information otherwise requested by the Department.

Authority: T.C.A. §§ 68-102-113, 68-126-302, and 68-126-305. **Administrative History:** New rule filed March 31, 2021; effective June 29, 2021.