State of Tennessee Department of Commerce & Insurance
Standard Operating Procedures
Manufactured Housing and Modular Building Units Section (the “Section”)

**Topic**
Ready-Removables/“Cabin Shells”/“Shell Homes”

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<th>Policy Number</th>
<th>Owner(s)</th>
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<td>2023-33503-SOP-1080833798</td>
<td>Manufactured Housing and Modular Building Units Section (the “Section”)</td>
<td>T.C.A. § 68-126-301 et seq.</td>
<td>Providing a uniform approach to the inspection of ready-removables.</td>
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**Effective Date:** 03/17/2023

**Objective**

To ensure a statewide uniform approach in the application of residential and electrical codes and ensure safety for consumers of “Ready-Removables” and “Shell Homes.” Due to an increased demand for affordable housing, the Section has identified a need for a uniform procedure regarding identification of and application of appropriate residential building codes and electrical codes. Pursuant to this Standard of Procedure, ready-removables will be uniformly inspected for compliance with applicable electrical codes and shell homes will be inspected for compliance with applicable residential building and electrical codes.

**Key Statutory Language**

Pursuant to Tenn. Code Ann. § 68-126-311, “No ready-removable shall be modified for use as residential, recreational, or emergency housing in this state.” Tenn. Code Ann. § 68-126-303 provides, “‘Ready-removable’ means a structure without any foundation, footings, or other support mechanisms that allow a structure to be easily relocated but which may include electrical wiring.”

**Scope**

The following definitions and procedures are not intended to apply to labeled modular building units, or manufactured homes.

**Definitions**

1. “Shell Home”/“Cabin Shell” means a structure that is considered a one- or two-family dwelling and is **not** considered a ready-removable if **all** of following criteria is met:
   - **Only** the structure’s exterior walls, floor, and roof are constructed off-site and are constructed in accordance with the 2018 IRC; (If the builder is a licensed contractor, interior framing may be completed at the time of transport, so long as all structural components remain visible)
   - The structure has **no** electrical or plumbing systems installed at the time of transport;
   - All structural components are visible at the time of transport;
   - The structure complies with all inspection and permit requirements applicable to one and two family dwellings; and
The structure is placed on a foundation with a sill plate and follows the 2018 IRC R403.1.6 (refer to figure R403.1.3), or the structure is placed on concrete piers, with proper footings in place, and is anchored in accordance with a registered engineer’s design.

2. A structure that is transported with any electrical, plumbing, or interior walls installed and/or any structural components are not visible at the time of transport, must bear either a modular building unit label, or a HUD manufactured home label. If such a structure does not bear the proper label, the structure is an unlicensed modular building and shall be referred to the Director of Manufactured Housing and Modular Building Units. (Note: park model recreational vehicles are not required to bear a label; however, these structures are approved for seasonal/recreational use only).

3. A structure is considered a ready-removable, cannot be modified for residential use, and cannot contain any plumbing fixtures if any one of the following criteria is present:
   - The structure is placed on concrete piers with no footings;
   - The structure is placed on the ground with no piers;
   - The structure is otherwise installed in a manner that permits easy relocation; or
   - The structure does not comply with all inspection and permit requirements applicable to one and two family dwellings.

Procedure for Non-Exempt or Non-Opt-Out Jurisdictions

1. If, at the time of inspection, a structure appears to be a ready-removable and appears to be intended for residential use, and the owner does not state otherwise, the structure shall not be inspected.
   - The Deputy Electrical Inspector (DEI) or Deputy Building Inspector (DBI) shall take photos of the interior and exterior of the structure in question prior to ceasing the inspection. If an individual does not allow the DEI or DBI to enter the home to take photos, or the DEI or DBI feels unsafe doing so, the inspector shall make a written record of all known information.
   - Any photos or written record shall be forwarded to the Director of Manufactured Housing and Modular Building Units and the Director of Electrical, Residential, and Marina Inspections (the “Director”).

2. If a homeowner asserts that the structure will not be used as a residence:
   - The DEI shall proceed with the electrical inspection in accordance with this assertion. The DEI shall indicate in the notes section of the inspection report that the owner has asserted the structure will not be used as a residence and the DEI has not approved the structure for residential use. If the homeowner is in attendance at the inspection, the DEI shall request the homeowner’s signature on the inspection report.
   - The DEI or DBI shall forward the inspection report and any photos to the Director via email. The DEI or DBI shall include any pertinent information regarding the structure, or interactions with individuals on site, in the email. The Director shall log and maintain a record of these instances on the State H-Drive for recordkeeping purposes.
3. If, at the time of inspection, the structure does not appear to be intended for residential use, the electrical inspection or residential inspection may proceed accordingly.

**Procedure for Exempt Jurisdictions**

1. If the local jurisdiction has approved the structure and passed the structure on all required residential inspections, the DEI shall proceed with the electrical inspection. The DEI shall not make any determinations regarding whether the structure is considered a ready removable; this determination is made by the local jurisdiction.

   - If the DEI has concerns regarding the local jurisdiction’s decision to approve the structure, the DEI shall forward the inspection report and any other pertinent information to the Director via email.
   - The Director shall log and maintain each inspection report in these circumstances on the State of Tennessee’s H-drive under the corresponding audit year in a sub-folder with the jurisdiction’s name. (OADATA > Residential Building Codes > Audits > Year Written Audit/Year On-Site Audit > Jurisdiction’s Name).

**Procedure for Opt-Out Jurisdictions**

1. If a local jurisdiction has elected not to enforce any residential building codes, the DEI shall conduct electrical inspections if the structure in an opt-out jurisdiction meets the definition of “cabin shells” or “shell homes” (as defined above) demonstrated by passage of applicable residential inspection as authorized by Tenn. Code Ann. § 68-120-101(b)(1)(D).

2. If a local jurisdiction has elected not to enforce any residential building codes, the DEI shall not inspect to the residential electrical code a structure that does not meet the definition of a “cabin shell” and should note on the inspection report that the structure is not authorized for residential use.

   - Publicly available guidance for manufacturers of “cabin shells” and “shell homes” requests that manufacturers provide instructions/directions to consumers outlining how to obtain electricity to a structure located in an opt-out jurisdiction. The structure, as a “cabin shell” or “shell home”, must comply with all inspection and permit requirements applicable to one and two family dwellings.
   - Tenn. Code Ann. § 68-120-101(b)(1)(D) allows a homeowner to request the State Fire Marshal’s Office (SFMO) to conduct a residential inspection of the structure in opt-out jurisdictions which will facilitate the consumer’s ability to obtain electricity upon compliance with residential building codes. Approval of the structure as a “cabin shell” or “shell home” for electrical is conditional on compliance with the applicable residential code. If the structure has not passed the applicable residential inspection, then the structure does not meet the definition of “cabin shells” or “shell homes”.
   - Manufacturers of “cabin shells” and “shell homes” will be provided a list of opt-out jurisdictions and guidance on how to purchase permits and request residential and electrical inspections to be given to consumers as instructions/directions.
   - If the DEI has substantial concerns regarding the safety of the structure related to its use as a residential dwelling, the DEI shall forward any pertinent information to the Director for record keeping purposes. The Director shall log and maintain a record of these instances on the State H-Drive for recordkeeping purposes.
“Cabin Shells” and “Shell Homes”

1. If the structure meets the definition above for a “cabin home”/“shell home,” the structure will be considered site-built construction and will be required to meet all applicable requirements in state law and in adopted codes. In jurisdictions where a permit and inspection are required for residential construction, but a structure is built without the required permits and inspections, the owner will be required to disclose that failure upon resale.

End of Procedure.

Modifications/Review

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<th>Summarize change/update</th>
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