HOUSE BILL REPORT
SHB 2151

As Passed Legislature

Title: An act relating to adopting national standards for factory built housing and commercial structures.

Brief Description: Adopting national standards for factory built housing and commercial structures.

Sponsors: House Committee on Labor & Workplace Standards (originally sponsored by Representatives Manjarrez, Peterson, Ryu, Ramel, Doglio, Low, Zahn, Wylie, Duerr, Thomas, Gregerson, Ormsby, Graham and Donaghy; by request of Department of Labor & Industries).

Brief History:

Committee Activity:

Labor & Workplace Standards: 1/20/26, 1/23/26 [DPS].

Floor Activity:

Passed House: 2/11/26, 95-0.
Passed Senate: 2/28/26, 49-0.
Passed Legislature.

Brief Summary of Substitute Bill

- Requires the Department of Labor and Industries (L&I) to consider certain national consensus standards published by the International Code Council when adopting rules for factory-built housing and commercial structures.
- Allows L&I to establish options for factory inspections of factory-built housing and commercial structures to be conducted by qualified inspection agencies.
- Exempts certain prefabricated enclosures owned by electric utilities from the inspection and approval process.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

HOUSE COMMITTEE ON LABOR & WORKPLACE STANDARDS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 9 members: Representatives Berry, Chair; Fosse, Vice Chair; Scott, Vice Chair; Schmidt, Ranking Minority Member; Ybarra, Assistant Ranking Minority Member; Bronoske, McEntire, Obras and Ortiz-Self.

Staff: Kelly Leonard (786-7147).

Background:

The Department of Labor and Industries (L&I) regulates factory-assembled structures, which include manufactured and mobile homes, recreational vehicles, and factory-built housing and commercial structures. Factory-built housing is a structure designed primarily for human occupancy, other than a manufactured or mobile home, that is substantially or entirely prefabricated or assembled at a place other than a building site. A commercial structure is a structure designed for human habitation, or human occupancy for industrial, education, assembly, professional, or commercial purposes, such as a school portable. Factory-built housing and commercial structures may not be installed in the state unless they are approved by L&I.

L&I rules must protect health, safety, and property by assuring that all factory-built housing and commercial structures are structurally sound and that the plumbing, heating, electrical, and other components are reasonably safe. The rules must be reasonably consistent with recognized and accepted principles of safety and structural soundness. In adopting the rules, L&I must consider the standards and specifications contained in the Uniform Building, Plumbing, and Mechanical Codes, and the National Electrical Code, among others.

L&I may delegate its inspection authority to a local enforcement agency or a qualified inspection agency. Qualified inspection agencies are nongovernmental entities approved to perform inspections under contract for L&I. A qualified inspection agency must:

- be objective, competent, and independent from the companies responsible for the work being inspected;
- disclose any conflict of interest;
- have adequate equipment to perform the inspections; and
- employ experienced personnel with appropriate certifications and knowledge (a certification by the International Code Council meets this requirement).

The International Code Council is a nonprofit organization that publishes model building codes and standards and administers certain professional certifications. This includes the International Building Code, International Residential Code, and International Mechanical Code, as well as national consensus standards for off-site construction and national consensus standards for inspection and regulatory compliance.

Summary of Substitute Bill:

When adopting rules for factory-built housing and commercial structures, L&I must consider the national consensus standards published by the International Code Council for off-site construction planning, design, fabrication, and assembly, the national consensus standards published by the International Code Council for inspections and regulatory compliance, and the standards and specifications contained in the International Building, Uniform Plumbing, and International Mechanical Codes, among others.

The requirement for an agency to have a contract with L&I is removed. Instead, L&I rules may include options for inspections to be conducted by a qualified inspection agency.

A prefabricated enclosure is exempt from the L&I approval and inspection process if:

- the enclosure is for energy storage systems or electrical equipment associated with the generation, control, transformation, transmission, or distribution of energy installations under the ownership and exclusive control of an electric utility; and
- entry to the enclosure is limited to qualified service personnel for the maintenance, repair, or occasional monitoring of energy storage system units or electrical equipment.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The Department of Labor and Industries currently sends inspectors to other states to physically inspect prefabricated homes. The state charges manufacturers for those inspections. With an increase in the anticipated demand for prefabricated homes, there could be an increase in workload and costs to L&I and the manufacturers. The bill will save time and money by allowing L&I to use third-party inspectors in other states. The inspections will still meet Washington standards while lowering costs for L&I and manufacturers. Also, the bill allows L&I to rely upon national standards for inspections and transportation conditions. The bill achieves a shared goal of increasing access to safe modular housing and generally improving housing affordability.

(Opposed) None.

Persons Testifying: Representative Deb Manjarrez, prime sponsor; and Tammy Fellin, Department of Labor and Industries.

Persons Signed In To Testify But Not Testifying: None.