

- SUBJECT:** Removing height restriction on modular buildings
- COMMITTEE:** Licensing and Administrative Procedures — favorable, without amendment
- VOTE:** 10 ayes — T. King, Goldman, Geren, Guillen, Harless, Hernandez, Herrero, K. King, Kuempel, S. Thompson
- 0 nays
- 1 absent — Paddie
- WITNESSES:** For — Stephen Shang, Modular Building Institute; (*Registered, but did not testify*: Duane Galligher, Modular Building Institute; DJ Pendleton, Texas Manufactured Housing Association; Warren Hayes, Z-Modular)
- Against — None
- On — (*Registered, but did not testify*: Brian Francis and David Gonzales, Texas Department of Licensing and Regulation)
- BACKGROUND:** Occupations Code ch. 1202 defines industrialized housing and industrialized buildings as structures that are designed to be constructed in one or more modules at a location other than the permanent site and transported to the permanent site to be installed or erected. Industrialized housing includes the structure's plumbing, heating, air conditioning, and electrical systems. The height of industrialized housing and industrialized buildings is limited to four stories or 60 feet.
- DIGEST:** HB 1385 would remove the four-story or 60-foot height restriction on industrialized housing and industrialized buildings.
- The bill would take effect September 1, 2019.
- SUPPORTERS SAY:** HB 1385 would remove the 60-foot or four-story statutory height restriction on industrialized buildings, also known as modular buildings,

making them subject to the same standards as those built entirely on site and bringing state law in line with nationwide industry standards for modular buildings.

HB 1385 would allow more buildings to be constructed modularly, encouraging development in Texas, spurring innovation and industry expansion, and drawing jobs and money to the state.

Most states do not have a height limit on modularly constructed buildings. More advanced building techniques using steel frame construction mean that taller industrialized buildings are structurally sound, and inspections throughout the building process ensure that modular buildings are as safe as, or safer than, buildings constructed on site. Although the building process is different, there is no reason that the statutory restrictions should be different for modular buildings than they are for site-built construction.

The cost savings associated with modular construction can be passed on to residents to create affordable housing, including apartment buildings taller than four stories that could be constructed this way. Building these modules in a factory also results in less waste, less traffic disruption around the permanent site, faster project completion, and safer conditions for construction workers.

Modular buildings can be inspected en masse by the Texas Department of Licensing and Regulation at the factory and then transported to the permanent site for assembly, where they would receive a final inspection by the appropriate authorities. This allows for faster approval while maintaining a rigorous inspection process.

OPPONENTS  
SAY:

No concerns identified.