

112TH CONGRESS } HOUSE OF REPRESENTATIVES { REPORT
1st Session } { 112-191

CJ'S HOME PROTECTION ACT OF 2011

AUGUST 1, 2011.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. BACHUS, from the Committee on Financial Services,
submitted the following

R E P O R T

[To accompany H.R. 1751]

[Including cost estimate of the Congressional Budget Office]

The Committee on Financial Services, to whom was referred the bill (H.R. 1751) to amend the National Manufactured Housing Construction and Safety Standards Act of 1974 to require that weather radios be installed in all manufactured homes manufactured or sold in the United States, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

PURPOSE AND SUMMARY

H.R. 1751, the CJ's Home Protection Act amends the Manufactured Housing Construction and Safety Standards Act of 1974 by requiring the installation of National Oceanic & Atmospheric Administration (NOAA) weather radios in all manufactured homes made or sold in the United States. The weather radios would broadcast severe weather warnings and civil emergency messages (including tornado and flood warnings), AMBER alerts for child abductions, and chemical spill notifications.

The installation standard is to be established by the Secretary of Housing and Urban Development (HUD) upon recommendation of the Manufactured Housing Consensus Committee, which is the federal advisory committee charged with providing recommendations to the HUD Secretary regarding manufactured home construction and safety standards.

H.R. 1751 would require weather radios installed in manufactured housing to meet the following standards:

- Capable of broadcasting emergency information relating to local weather conditions;

- Equipped with a tone alarm;
- Equipped with Specific Alert Message Encoding (SAME) technology, which is the protocol used to encode the Emergency Alert System and NOAA Weather Radio's Public Warning System in the U.S.; and
- Compliance with Consumer Electronics Association Standard 2009—A Performance Specification for Public Alert Receivers, which defines minimum performance criteria for consumer electronic products designed to receive SAME alert signals broadcast by NOAA's Weather Radio network.

BACKGROUND AND NEED FOR LEGISLATION

Every year, roughly 800 tornadoes sweep across the United States, resulting in approximately 80 deaths, more than 1,500 injuries, and millions of dollars in property damage. Large tornadoes can generate wind speeds greater than 250 miles per hour. Natural catastrophes often strike with little warning, inflicting property damage on communities, and, in some cases, resulting in loss of life.

On November 6, 2005, a tornado destroyed the Eastbrook Mobile Home Park community in Evansville, Indiana. The tornado killed 19 people, including two-year-old CJ Martine for whom this legislation is named, and wounding hundreds of other residents. The storm struck at 2 a.m. and the majority of Eastbrook residents were asleep and unable to respond to the tornado warnings issued in advance by NOAA's National Weather Service.

CJ's family has worked closely with the manufactured housing industry to develop this legislation to provide early warning systems within homes with the hope of preventing future death and injury from such storms. His mother began a campaign that resulted in an Indiana law requiring that NOAA weather radios be installed in all new mobile and manufactured housing. The Indiana law prompted the federal initiative.

Many families that reside in manufactured housing do not have access to a weather radio and as a result do not receive immediate alerts regarding storms and tornadoes. H.R. 1751 would provide families with an opportunity to receive a severe storm alert in order to seek shelter ahead of tornadoes or flooding.

HEARINGS

No hearings were held on this legislation in the 112th Congress.

COMMITTEE CONSIDERATION

The Committee on Financial Services met in open session on July 20, 2011 and ordered H.R. 1751 favorably reported to the House by voice vote.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the motion to report legislation and amendments thereto. There were no record votes taken on amendments or in connection with ordering H.R. 1751 reported to the House. A motion by Chairman Bachus

to report the bill to the House with a favorable recommendation was agreed to by voice vote.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee has held hearings and made findings that are reflected in this report.

PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee establishes the following performance related goals and objectives for this legislation:

The objectives of H.R. 1751 are to provide families with an opportunity to receive severe storm alerts or civil emergency messages and to receive the warnings early so that people who reside in manufactured housing communities can seek shelter and safety ahead of natural disasters or other emergency situations. H.R. 1751 amends the Manufactured Housing Construction and Safety Standards Act of 1974 by requiring the installation of National Oceanic & Atmospheric Administration weather radios in all manufactured homes made or sold in the United States. The weather radios would broadcast severe weather warnings and civil emergency messages (including tornado and flood warnings), AMBER alerts for child abductions, and chemical spill notifications.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE ESTIMATES

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

JULY 25, 2011.

Hon. SPENCER BACHUS,
*Chairman, Committee on Financial Services,
House of Representatives, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1751, the CJ's Home Protection Act of 2011.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Susan Willie.

Sincerely,

DOUGLAS W. ELMENDORF.

Enclosure.

H.R. 1751—CJ's Home Protection Act of 2011

H.R. 1751 would require the Department of Housing and Urban Development (HUD) to issue a new standard requiring that each manufactured home delivered for sale be supplied with a weather radio that meets certain performance specifications, including the capacity to receive broadcasts of emergency information related to local weather conditions. Under current law, a committee representing both producers and users of manufactured housing makes recommendations to HUD on regulations concerning such homes. H.R. 1751 would require the committee to develop a proposed construction and safety standard; HUD would be required to finalize the standard within 90 days of receiving the proposal from the committee. The bill also would require HUD to prepare a report to the Congress that examines whether the requirement to equip new manufactured homes with weather radios should be limited to homes located in specific geographic areas.

Under current law, HUD monitors and enforces safety standards for manufactured homes through a joint federal and state program funded partially by inspection fees paid by builders of manufactured homes; the fees are recorded in the budget as discretionary offsetting collections and may be spent subject to provisions in appropriation acts. The program's administrative costs as well as the balance of costs for monitoring and enforcement are funded through annual appropriation acts. Based on information from HUD, CBO estimates that implementing H.R. 1751 would increase spending subject to appropriation, though the effect would not be significant. Enacting H.R. 1751 would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

The bill's requirement that each manufactured home delivered for sale be equipped with a weather radio would extend an existing preemption of state and local authority that prohibits state and local governments from establishing or continuing laws regarding the safety of manufactured homes if those standards are not identical to the federal standards. CBO has identified safety standards for manufactured homes in at least one state that are similar but not identical to the requirements in H.R. 1751. Preempting such state laws is an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA). Although the preemption would prohibit the application of state laws, CBO estimates that the cost of the mandate on state, local, or tribal governments would be insignificant and well below the threshold established by UMRA (\$71 million in 2011, adjusted annually for inflation).

H.R. 1751 also would impose a private-sector mandate, as defined in UMRA, on builders of manufactured housing. The bill would require all manufactured homes delivered for sale to be supplied with weather radios that have a tone alarm and specific alert message encoding, and that comply with the Consumer Electronics Association's performance standards for public alert receivers. Based on information from HUD and industry sources, the cost for

each radio could be about \$75, including overhead costs such as storage, shipment fees, and taxes. According to information from HUD, approximately 50,000 manufactured homes were sold in both 2009 and 2010. Consequently, CBO expects that the direct cost of the mandate would fall below the annual threshold established in UMRA for private-sector mandates (\$142 million in 2011, adjusted annually for inflation).

The CBO staff contacts for this estimate are Susan Willie (for federal costs), Lisa Ramirez-Branum (for the state and local impact), and Paige Piper/Bach (for the private-sector impact). The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates reform Act.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of the section 102(b)(3) of the Congressional Accountability Act.

EARMARK IDENTIFICATION

H.R. 1751 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1—Short title

CJ's Home Protection Act of 2011.

Section 2—Congressional findings

Section 2 outlines congressional findings regarding the positive role manufactured housing plays in providing affordable housing, and the congressional findings also encourage manufactured housing communities to provide storm shelters for its residents and states that manufactured housing manufacturers should include in the packaging of weather radios a reminder to replace its batteries twice a year.

Section 3—Federal Manufactured Home Construction and Safety Standard

This section amends the Manufactured Housing Construction and Safety Standards Act of 1974 by directing the Secretary of the Department of Housing and Urban Development (HUD) to require that each manufactured home delivered for sale be supplied with

a weather radio inside the manufactured home. These weather radios shall meet the following standards:

- Capable of broadcasting emergency information relating to local weather conditions;
- Equipped with a tone alarm;
- Equipped with Specific Alert Message Encoding, or SAME technology;
- Compliance with Consumer Electronics Association (CEA) Standard 2009–A Performance Specification for Public Alert Receivers.

In addition, this section exempts manufacturers from Sections 613 and 615 of the Manufactured Housing Construction and Safety Standards Act of 1974. Section 613 establishes procedures for handling a noncompliance or defect in the construction or installation standard after the sale of the manufactured home by the “manufacturer” to the “distributor” or “retailer” and prior to a sale of the home to the “purchaser.” Section 615 deals with noncompliance or defects by the “manufacturer” after the home is sold to the ultimate “purchaser”. Section 615 governs the relationship between the “manufacturer” and the “purchaser”; such as how the manufacturer must provide notice of a noncompliance or defect; the manufacturer’s notice to HUD; HUD’s notice to the manufacturer if a defect or failure to comply is discovered; the manufacturer’s duty to maintain a list of purchasers; and correction by the manufacturer.

Section 4—Establishment

This section establishes that within 90 days of enactment of this act, the Manufactured Housing Consensus Committee shall develop and submit to the Secretary of HUD a proposed manufactured housing construction and safety standard requiring that each manufactured home delivered for sale shall be supplied with a weather radio inside the manufactured home. The Secretary of HUD must issue the final order promulgating this standard within 90 days of receipt of the proposed standard from the Manufactured Housing Consensus Committee.

Section 5—Study

This section directs the Secretary of HUD to conduct a study of the applicability of the weather radio requirement to certain geographic locations at which manufactured homes are placed. The HUD Secretary should take into consideration severe weather conditions, such as high winds and flooding, and wind zones and other severe weather data available from the National Weather Service. This study is to be completed no later than 18 months after the enactment of this act and shall be submitted to the Committee on Financial Services of the House of Representatives and to the Committee on Banking, Housing, and Urban Affairs of the Senate.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italic and existing law in which no change is proposed is shown in roman):

NATIONAL MANUFACTURED HOUSING CONSTRUCTION AND SAFETY STANDARDS ACT OF 1974

TITLE VI—MANUFACTURED HOME CONSTRUCTION AND SAFETY STANDARDS

SHORT TITLE

SEC. 601. This title may be cited as the “National Manufactured Housing Construction and Safety Standards Act of 1974”.

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FEDERAL MANUFACTURED HOME CONSTRUCTION AND SAFETY STANDARDS

SEC. 604. (a) * * *

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(i) WEATHER RADIOS.—

(1) CONSTRUCTION AND SAFETY STANDARD.—*The Federal manufactured home construction and safety standards established by the Secretary under this section shall require that each manufactured home delivered for sale shall be supplied with a weather radio inside the manufactured home that—*

(A) is capable of broadcasting emergency information relating to local weather conditions;

(B) is equipped with a tone alarm;

(C) is equipped with Specific Alert Message Encoding, or SAME technology; and

(D) complies with Consumer Electronics Association (CEA) Standard 2009–A (or current revision thereof) Performance Specification for Public Alert Receivers.

(2) LIABILITY PROTECTIONS.—*No aspect of the function, operation, performance, capabilities, or utilization of the weather radio required under this subsection, or any instructions related thereto, shall be subject to the requirements of sections 613 or 615 or any regulations promulgated by the Secretary pursuant to the authority under such sections.*

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