

**REVENUE: No revenue impact**

**FISCAL: Minimal fiscal impact, no statement issued**

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<b>Action:</b>	House Concur in the Senate amendments dated June 4, Further Amend and Repass the Bill
<b>Vote:</b>	6 - 0 - 0
<b>Yeas:</b>	Rep. Girod, Rep. Holvey, Rep. Schaufler, Sen. George, L., Sen. Metsger, Sen. Winters
<b>Nays:</b>	0
<b>Exc.:</b>	0
<b>Prepared By:</b>	Janet Adkins, Administrator
<b>Meeting Dates:</b>	6/19

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**WHAT THE MEASURE DOES:** Prohibits the use of barrier-type exterior insulation and finish systems on buildings. Exempts application of barrier-type product on concrete walls and concrete masonry block walls, architectural applications that are decorative or otherwise not intended to protect the interior space of the building, and necessary repairs or replacements of such material on existing buildings.

**ISSUES DISCUSSED:**

- History of the problem, particularly with residential construction
- Current problems with enforcement
- Commercial building application
- Lack of problems with application on concrete
- Insurance policy treatment of products
- Relation to HB 2656 regarding building envelope inspections

**EFFECT OF CONFERENCE COMMITTEE AMENDMENT:** Adds specificity to the definition of the prohibited product/system. Applies prohibition to all buildings. Exempts application of barrier-type product on concrete and exempts architectural applications that are decorative or otherwise not intended to protect the interior space of the building.

**BACKGROUND:** Exterior Insulation Finish Systems (EIFS) were initially used in Europe to retrofit solid masonry walls. The material is sometimes referred to as synthetic stucco and consists of a layering of adhesive, insulation, reinforcing, and finish. EIFS was first used in North America in the 1960s and was popular by the mid-1970s as an energy efficient exterior wall treatment and insulation system. In the late 1980s, problems started developing due to water damage in EIFS homes, requiring complete replacement of walls in many cases. Numerous lawsuits resulted and disagreements continue over whether the material itself or its application was to blame, and whether EIFS-type products are inappropriate in some climates. Since 2005 the Oregon building code has required residential EIFS applications to have a means of draining water to the exterior and a water resistive barrier between water-sensitive building components and exterior insulation. The drainage-type EIFS that prevent water damage are now in common use. However, no penalties are associated with applying other types of EIFS, and building inspectors do not inspect siding applications.

House Bill 2112-B\* prohibits the use of a type of EIFS known as barrier-type. With a statutory prohibition the Construction Contractors Board will have the authority to issue civil penalties or to sanction a contractor's license for violations.