A REPORT TO NORTHERN COLORADO BUSINESSES ON THE 2013 SESSION OF THE COLORADO GENERAL ASSEMBLY

BUSINESS VITALITY FIRST

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THE NCLA'S MISSION

NCLA's mission is to unite the Fort Collins, Greeley and Loveland business communities into a strong voice on state policy, regulations and legislation to create a positive business climate for the future of northern Colorado.

CONTROVERSIAL ISSUES, DEFENDING BUSINESS AND KEEPING OUR ECONOMY VIBRANT

It was a unique legislative session marked by numerous controversial issues. Gun control, civil unions, immigrant liberties, school taxes, renewable energy and marijuana took center stage and hours of debate.

While the controversial issues were making headlines, the Northern Colorado Legislative Alliance was diligently fending off onerous legislative measures offending business interests. This required diligence as the NCLA contended with numerous measures that threatened the employer-employee relationship, increased business and employer liabilities, assailed the oil and gas industry, and increased the overall cost of business.

In the end, the NCLA, working in coalition with other business and industry organizations throughout the state, defeated several of the measures and secured important amendments to the remaining measures to mitigate their potential negative consequences to business, industry and our economic climate.

The NCLA is the state and regional government affairs group of the Fort Collins, Greeley and Loveland Chambers of Commerce, the Northern Colorado Economic Development Corporation and Upstate Colorado. The NCLA Board of Directors is made up of volunteers. To be truly effective we must have an experienced, well-respected and competent professional issues manager working on our behalf every day during the legislative session; we have that in Sandra Solin at Capitol Solutions. The NCLA's theme is "Business Vitality First." To keep Colorado a great place to live and work there are many things that need the attention of state government. However, we won't have the financial means to do so unless we have a vibrant economy. "Business Vitality First" is our way of reminding legislators to keep focused on the most important things.

Speaking of legislators, we enjoy a good working relationship with our two-county regional delegation of State Senators Kevin Lundberg, Scott Renfroe, John Kefalas, and Vicki Marble with House Minority Leader Brian DelGrosso and State Representatives Randy Fischer, Dave Young, Joanne Ginal, Perry Buck, Lori Saine, and Stephen Humphrey.

Finally, about this document: it is a report to you, our investors, on how the session went and the work we did on your behalf. We think you'll be pleased to know that while you were running your business, the NCLA had your back with state government and represented you well.

We appreciate your support,



BARBARA KOELZER

2012-13 Chair Northern Colorado Legislative Alliance Government Affairs Director, Information and Real Estate Services LLC

P.S. For more information visit ncla.biz

The NCLA is a partnership of the Fort Collins, Greeley and Loveland Chambers of Commerce, the Northern Colorado Economic Development Corporation (NCEDC) and Upstate Colorado. The NCLA is the leading voice influencing state policy on issues affecting the unique business interests of northern Colorado.

2013 PRIORITY AGENDA

OUR PRIORITY: BUSINESS VITALITY FIRST

During these difficult economic times, it is imperative that all public policy considerations be directed toward maintaining or enhancing the vitality and viability of Colorado businesses – the heart of Colorado's economy and the foundation of a sound and healthy government.

> BUSINESS VITALITY FIRST CREATES:

- Jobs
- Revenue for government services
- Revenue for education
- Revenue for energy solutions

> NCLA SUPPORTS:

- Development of water storage capacity of Northern Colorado. In particular, support the development of the Northern Integrated Supply Project.
- Demand funding for improving Highway 85 and Interstate 25.
- Support and encourage economic growth in the innovative and traditional energy economy.

> WWW.NCLA.BIZ



WHAT SETS THE NCLA APART

NCLA is a joint committee of key business organizations in Northern Colorado. What makes the NCLA unique – and is directly related to its effectiveness – is the careful delegation of policy-making authority to the NCLA board of directors by the sponsor chambers and economic development organization. This makes NCLA nimble and responsive to rapidly changing situations in the Legislature.

HOW THE NCLA OPERATES

The NCLA board of directors is comprised of seven representatives from each of the three participating chambers of commerce and one representative from the NCEDC and Upstate Colorado.

Annually, the NCLA surveys its chamber and NCEDC members on important business and economic issues and meets with a host of area organizations to determine key concerns and needs. NCLA then updates its broad policy statements that serve as the guiding principles and adopts a specific legislative agenda for the upcoming legislative session.

HOW THE NCLA ACHIEVES OBJECTIVES

The ingredients of a successful legislative program include clear priorities, informed and engaged business leaders, a knowledgeable and effective professional lobbyist and a coordinated effort between the business groups in the region. NCLA works to educate and mobilize businesses to contact legislators to express their views on policy, regulations, and legislation that affect their ability to succeed. Additionally, the NCLA maintains a strong presence at the State Capitol and other applicable arenas to advise legislators, the governor, other elected officials and policymakers on issues that are in line with the NCLA's policy statements and priority agenda.



MISSION TO COLORADO CAPITOL

A delegation of nearly 100 business people from the region visit the Legislature during the Legislative session.



THE NCLA:

hosts events to thank local and state elected officials for their service to the region and to keep them abreast of the NCLA's activities.

IN ORDER TO MEET ITS OBJECTIVES, THE NCLA:

- Communicates NCLA's positions to local elected officials, legislators, the governor and his administration, Colorado's congressional delegation, and other policy makers.
- Meets regularly throughout the year but with an intense schedule during the legislative session to review and analyze pending legislation and formulate positions and strategies on each. During a legislative session the NCLA board will review dozens of bills in great detail.
- Meets with regional organizations annually to assess their needs and identify possible joint efforts.
- Surveys businesses annually to discover their needs and priorities.
- Drafts priority agendas and updates policy statements annually, and communicates priority issues to legislators and other decision makers.
- Hosts events to thank local and state elected officials for their service to the region and to keep them abreast of NCLA's activities.
- Issues 'calls to action' to businesses requesting they communicate their views to northern Colorado's legislators.
- Produces materials to inform businesses on issues important to them, including the weekly NCLA "Under the Dome" newsletter during the session, periodic press releases and announcements for chamber newsletters.

NORTHERN COLORADO LEGISLATIVE 2013 BOARD OF DIRECTORS ROSTER

FORT COLLINS REPRESENTATIVES

DAVID MAY, Fort Collins Area Chamber of Commerce – President & CEO KERMIT ALLARD – PAST CHAIR, Ehrhardt, Keefe, Steiner & Hottman, P.C. SHARIE GRANT, OfficeScapes CARL MAXEY, Maxey Companies, Inc. STEVE TOOL, Tool and Associates BILL SEE, Heath Construction RALPH WALDO, The Group, Inc.

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ECONOMIC DEVELOPMENT

WALT ELISH, NCEDC ERIC BERGLUND, UpState Colorado

NCLA CONTRACTORS/STAFF

SANDRA HAGEN SOLIN, Issues Manager for NCLA, Capitol Solutions AMANDA MILLER, Administrative, Board Management and Event Services for NCLA, The Place Setting Company, LLC

2013 LEGISLATIVE SESSION: THE DEBRIEF

It was a legislative session unique among most. And it was a legislative session marked by numerous controversial issues – more in one session than experienced in memory. Gun control, civil unions, immigrant liberties, school taxes, renewable energy and marijuana took center stage and hours of debate.

With the election in November 2012, the political landscape shifted from one of a split majority between the House and the Senate to a Statehouse dominated by a Democrat majority in both the House and Senate along with a Democrat Governor on the first floor. The landscape shift resulted in a shift in the political dynamic under the dome such that issues of importance to the Democrat majority were assumed to be successful. Republicans played the role of vocal minority well by demanding their voices were heard and that the majority justify their headline-making public policy proposals.

While the controversial issues were making headlines, the Northern Colorado Legislative Alliance was diligently fending off onerous legislative measures offending business interests. Sadly, the job was incessant as the NCLA contended with numerous measures that threatened the employer-employee relationship, increased business and employer liabilities, assailed the oil and gas industry, and increased the overall cost of business.

WHILE THE CONTROVERSIAL ISSUES WERE MAKING HEADLINES, THE NCLA FENDED OFF ONEROUS LEGISLATIVE MEASURES OFFENDING BUSINESS INTERESTS.

In the end, the NCLA, working in coalition with other business and industry organizations throughout the state, defeated several of the measures and secured important amendments to the remaining measures to mitigate their potential negative consequences to business, industry and our economic climate. Below we highlight a few of these measures.

THE NCLA LED AN IMPORTANT ECONOMIC DEVELOPMENT RETENTION EFFORT. SIGNIFICANT ENERGY IS MADE IN ECONOMIC DEVELOPMENT CIRCLES TO ATTRACT NEW BUSINESSES TO RELOCATE TO COLORADO.

Although we can claim success in mitigating harm from some of most onerous legislative proposals, sadly, there were a few proposals in which negotiations or calls for defeat went unanswered. House Bill 13-1136 and Senate Bill 13-252 are among the few that will increase the cost of business and liabilities. See below for more details about HB 1136 and SB 252.

While onerous proposals overshadowed positive and new public policy proposals that benefit Colorado's economic climate, the NCLA led an important economic development retention effort. Significant energy is made in economic development circles to attract new businesses to relocate to Colorado. NCLA focused its proactive energies on House Bill 13-1206 and on retaining existing primary employers by providing local governments the opportunity to reduce business personal property tax liability for primary employers at significant risk of leaving Colorado.

HB 13-1206 was prime sponsored by Loveland Republican Representative Brian DelGrosso and Senator Mark Scheffel (R-Douglas County) and was co-sponsored by nearly all of the Northern Colorado legislative delegation among a large contingent of bi-partisan legislators and legislative leaders. The Governor signed the bill.

Finally, while not the most pleasant of topics, upon the passage of Amendment 64, the NCLA took the lead on behalf of the Colorado business community to protect business and employer interests during the implementation of the legalization of marijuana. NCLA assured that all employers have the right to continue to impose and enforce whatever drug policies they deem most appropriate, and further, have the right to prohibit use of marijuana when not on the job. Additionally, NCLA assured that property owners have the right to impose prohibitions and other rules around the use of marijuana while on the owners' property.

A DEBRIEF – IN MORE DETAIL

OIL AND GAS

Eleven oil and gas bills were introduced during the 2013 legislative session. Bills ran the gamut from increasing impact fees on the industry, changing the purpose and make up of the industry oversight board, the Colorado Oil and Gas Conservation Commission, and enhancing reporting requirements for spills and other environmental infractions. In the end, all but reporting requirements were defeated. The defeat of the measures further bolstered proponents and we expect the issues to be renewed in 2014.

ELEVEN OIL AND GAS BILLS WERE INTRODUCED DURING THE 2013 LEGISLATIVE SESSION.

EMPLOYER-EMPLOYEE RELATIONSHIP AND LIABILITIES

Several bills interfering with the employer-employee relationship were introduced and debated in 2013. Chief among them was House Bill 13-1136 by Rep. Claire Levy (D-Boulder) and Senate Majority Leader Morgan Carroll (D-Aurora) which drew all business into the federal civil discrimination protections as well as expanded the liability to encompass new compensatory and punitive damages. The bill was passed by legislature and was signed by the Governor despite the loud objections of the NCLA and the business community in Colorado.

Also debated was HB 1222 which proposed to extend the benefits of the Family and Medical Leave Act beyond care for spouses and children to encompass extended family and domestic partnerships. In response to business objections, the sponsor agreed to rein in the scope of the bill to only encompass domestic partners. Finally, under the title "Keep Jobs in Colorado Act", HB 1292 captured numerous provisions advocated by the AFL-CIO, Colorado's chief union lobby, which shifted long-standing procurement processes to allow for "best-value" contracting while also imposing accountability and limitations on the performance of contract obligations by labor based in Colorado. Bill sponsors and legislative leadership were committed to passing the bill but were receptive to modifications to the bill to assure prohibitions within contracting provisions were shifted to transparency efforts. The bill passed and was signed by the Governor.

SEVERAL BILLS INTERFERING WITH THE EMPLOYER - EMPLOYEE RELATIONSHIP WERE INTRODUCED AND DEBATED IN 2013.

LABOR RELATIONS

Under significant pressure from the Colorado business community, including the NCLA, House Bill 13-1304 was killed by the sponsor of the legislation. HB 1304 proposed to extend unemployment benefits for employees and union members who are drawn into a defensive union lockout. The extension of such benefits would have placed significant burden upon the Colorado Unemployment Insurance Benefits Fund, funded solely by Colorado employers. Expect HB 1304 to be back in 2014.

The precedence setting Senate Bill 13-025, however, was passed by the Colorado legislature and singed into law. SB 13-025 establishes a right to collective bargain for firefighters by creating a one-size fits all, state-mandated collective bargaining process offending home-rule and local control authority. The NCLA joined our local government partners in opposing SB 25 believing that such over-reach could open the door for government imposition of a labor relations process within the private sector.

RENEWABLE ENERGY

Senate Bill 13-252, opposed by the NCLA, increases from 10 to 20 percent the share of retail electricity sales that must be achieved from renewable energy sources by Cooperative Electric Associations (CEAs) by 2020. The increase is coupled with a rate impact increase for CEAs from 1 percent to 2 percent. The legislation excluded Xcel and municipal electricity providers to the dismay of the CEAs, including Poudre Valley REA and United Power. NCLA, along with Poudre Valley and United Power lobbied actively to defeat the measure. The bill passed the House and Senate on a party line vote and was signed by the Governor despite NCLA asking for his veto of the bill anticipated to raise costs for all businesses served by our local co-ops.

2013 VOTEWATCH BILLS

The following is an update of the NCLA's position on "Vote Watch" bills that intersect with our 2013 Priority Legislative Agenda.

HB13-1136	Job Protection Civil Rights Enforcement Act 2013	Oppose	Signed
HB13-1206	Expand Authority For Business Incentive Agreements Support	Support	Signed
HB13-1222	Family Care Act Family Medical Leave Eligibility	Oppose	Signed
HB13-1268	Mineral Estate Disclosure Real Property Sale	Support	Killed
HB13-1269	Reduce Conflict Of Interest Oil And Gas Commission	Oppose	Killed
HB13-1273	New Funding Local Governments Oil Gas Dev Impacts	Oppose	Killed
HB13-1275	Front Range Oil & Gas Human Health Study	Oppose	Killed
HB13-1287	Extend CO Job Growth Incentive Tax Credit 5 Years	Support	Signed
HB13-1304	Unemployment Compensation Benefits Due To Lockout	Oppose	Killed
SB13-025	Collective Bargaining Firefighters	Oppose	Signed
SB13-041	Protect Water Storage Longterm Use	Support	Signed
SB13-252	Renewable Energy Standard Retail Wholesale Methane	Oppose	Signed
SB13-196	Assault Weapon Responsibility Act	Oppose	Killed

NCLA 2013 VOTEWATCH SCORECARD

KEY – Opposed (voted against) bill + Supported (voted for) bill * Bill sponsor

LEGISLATOR	Buck, P. (R)	DelGrosso, B. (R)	Fischer, R. (D)	Ginal, J. (D)	Humphrey, S. (R)	Kefalas, J. (D)	Lundberg, K. (R)	Marble, V. (R)	Renfroe, S. (R)	Saine, L. (R)	Young, D. (D)
CHAMBER	House	House	House	House	House	Senate	Senate	Senate	Senate	House	House
DIST	49	51	53	52	48	14	15	23	13	63	50
2013 SCORE	100	100	36	33	100	33	100	100	100	100	42
HB13-1136 OPPOSE	+	+	-	_	+	-	+	+	+	+	-
HB13-1206 SUPPORT /ncla bill	+	*+	+	+	+	+	+	+	+	+	+
HB13-1222 OPPOSE	+	+	-	-	+	-	+	+	+	+	-
HB13-1268 SUPPORT	+	+	+	+	+	N/A	N/A	N/A	N/A	+	+
HB13-1269 OPPOSE	+	+	_	_	+	-	+	+	+	+	-
HB13-1273 OPPOSE	+	+	*_	_	+	*_	N/A	+	N/A	+	-
HB13-1275 OPPOSE	N/A	N/A	N/A	*_	+	N/A	N/A	N/A	N/A	N/A	+
HB13-1287 SUPPORT	+	*_	+	+	+	+	+	+	+	+	+
HB13-1304 OPPOSE	+	+	_	_	+	N/A	N/A	N/A	N/A	+	-
SB13-025 OPPOSE	+	+	-	-	+	-	+	N/A	+	+	-
SB13-041 SUPPORT	+	+	*+	+	+	+	+	+	N/A	+	+
SB13-252 OPPOSE	+	+	-	_	+	-	+	+	+	+	-
SB13-196 OPPOSE	N/A	N/A	N/A	N/A	N/A	N/A	+	N/A	N/A	N/A	N/A



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BUSINESSES. We at Bank of Colorado want to share our excitement and appreciation for serving this community. We are a community bank with a 35-year history in Colorado, guided by a strong community-banking model of local management and local control. Bank of Colorado is known for its strength and stability, superior customer service and active involvement in the communities we serve. That's the spirit we put behind our community banks. And it's the way banking should be.

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THE WAY BANKING SHOULD BE

NCLA FRIENDS OF BUSINESS 2013:*

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SUPPORTING FRIENDS: ABC Child Development Aims Community College Avago Carestream Mineral Resources Realtec Commercial Real Estate

IN-KIND:

Clear Channel Radio Northern Colorado Business Report

ALL COSTS TO PRODUCE THIS END OF SESSION REPORT WERE UNDERWRITTEN BY:*



THE WAY BANKING SHOULD BE

*Financial support does not necessarily imply endorsement of all policies advocated by NCLA.

CONTACT INFO:

For more details about NCLA's priority agenda and our positions on other issues affecting the business community, please refer to NCLA's Policy Statements: **WWW.NCLA.BIZ** Or contact: Sandra Hagen Solin at shsolin@capitol-solutions.com, (970) 658-1005







LOVELAND CHAMBER of COMMERCE



