

TWENTY-EIGHTH LEGISLATURE
STATE OF HAWAII
REGULAR SESSION OF 2016

**Administratively Established Accounts and Funds
of the
Department of Commerce and Consumer Affairs
for Fiscal Year 2015**



Prepared by

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
STATE OF HAWAII

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Section 37-52.5, Hawaii Revised Statutes (“HRS”), requires expending departments or agencies to submit a report to the Legislature of newly administratively established accounts or funds. In addition, each department or agency, at least twenty days prior to the convening of each regular session, shall submit a report to the legislature, which shall include: (1) A list of all administratively established accounts or funds; and (2) All revenues, expenditures, encumbrances, and ending balances of each account or fund.

The following is a list of administratively established accounts and funds for the Department of Commerce and Consumer Affairs (“DCCA” or “Department”) for Fiscal Year (“FY”) 2015.

1. Name of Fund: State Broadband Data & Development Grant

Fund Type (MOF): V

Appropriation Symbol: S-201-R

Intended purpose: The grant is to develop an on-line data base that can be used by consumers to identify the availability, speed, and location of broadband services throughout Hawaii.

Current Program Activities: The initial grant includes \$1,449,940 for broadband data collection and mapping activities. The overall award period was January 1, 2010 – December 31, 2011 for broadband mapping activities and January 1, 2010 – December 2014 for broadband planning activities, if any. The project end date has been subsequently extended to January 31, 2015. Also, additional federal funding in the amount of \$2,400,000 was awarded on September 28, 2010 to complete the project to map broadband availability and to engage in broadband planning activities for five years.

Financial Data		
	FY 2015	FY 2016
Beginning Cash Balance	175	42,715
Beginning Encumbrances	0	42,715
Revenues	698,869	
Expenditures	656,329	
Transfers	0	
Ending Cash Balance	42,715	

2. Name of Fund: Insurance Regulatory Services

Fund Type (MOF): P

Appropriation Symbol: S-205-R

Intended purpose: To enhance the current capacity to review and, to extent permitted by state law, approve or deny rate increases in the individual and group markets.

Current Program Activities: Modification to electronic rate filing system. Hiring of additional rate analysts.

Financial Data		
	FY 2015	FY 2016
Beginning Cash Balance	15,998	7,042
Beginning Encumbrances	0	0
Revenues	530,596	
Expenditures	539,552	
Transfers	0	
Ending Cash Balance	7,042	

3. Name of Fund: Hawaii Health Connector

Fund Type (MOF): N

Appropriation Symbol: S-207-R

Intended purpose: Establishment of the Hawaii Health Connector under Act 205, Session Laws of Hawaii 2011.

Current Program Activities: Working to establish a centralized website to allow individuals and small businesses to shop for health insurance.

Financial Data		
	FY 2015	FY 2016
Beginning Cash Balance	51,583	0
Beginning Encumbrances	0	0
Revenues	78,761	
Expenditures	130,344	
Transfers	0	
Ending Cash Balance	0	

4. Name of Fund: Temp Deposits-Commerce/Consumer Affairs

Fund Type (MOF): T

Appropriation Symbol: T-902-R

Intended purpose: The fund was established by DCCA to account for temporary deposits.

Current Program Activities: Moneys deposited in this fund may be later transferred to the appropriate fund.

Financial Data		
	FY 2015	FY 2016
Beginning Cash Balance	1,511,786	1,810,621
Beginning Encumbrances	0	605
Revenues	2,108,604	
Expenditures	1,809,769	
Transfers	0	
Ending Cash Balance	1,810,621	

5. Name of Fund: Cable Television

Fund Type (MOF): T

Appropriation Symbol: T-907-R

Intended purpose: To make payment to the Department of Labor and Industrial Relations (“DLIR”) for a grant-in-aid.

Current Program Activities: Payment to DLIR is pursuant to a Capital Improvement Grant to Hawaii Public Television, authorized by the 2014 legislature.

Financial Data		
	FY 2015	FY 2016
Beginning Cash Balance	0	0
Beginning Encumbrances	0	0
Revenues	2,000,000	
Expenditures	2,000,000	
Transfers	0	
Ending Cash Balance	0	

6. Name of Fund: Premium Taxes Paid Pending Appeal

Fund Type (MOF): T

Appropriation Symbol: T-916-R

Intended purpose: Premium taxes paid in protest due to denial of high tech tax credits.

Current Program Activities: Pending result of appeal.

Financial Data		
	FY 2015	FY 2016
Beginning Cash Balance	2,265,346	2,265,346
Beginning Encumbrances	0	0
Revenues	0	
Expenditures	0	
Transfers	0	
Ending Cash Balance	2,265,346	

7. Name of Fund: Real Estate Appraisers Registry Fee

Fund Type (MOF): T

Appropriation Symbol: T-919-R

Intended purpose: Pursuant to chapter 466K, HRS, the purpose of this fund is to support the implementation of the requirements of 12 United States Code §3301 et. seq. and the requirement that all real estate appraisals be performed by licensed or certified appraisers. As discussed in section 466K-1, HRS, the regulation of real estate appraisers is reasonably necessary to protect consumers. Further, 12 United States Code §3301 et. seq. requires that real estate appraisals utilized in connection with federally related transactions be performed by individuals who are licensed or certified appraisers.

Current Program Activities: With respect to this fund, and in addition to any other powers and duties authorized by law, the Director of DCCA shall have the following powers and duties:

1. To grant permission to practice as a certified real estate appraiser in this State pursuant to this chapter and 12 United States Code §3301 et. seq. and the rules and regulations adopted pursuant thereto;
2. To adopt, amend, or repeal rules as the director finds necessary to effectuate fully this chapter and 12 United States Code §3301 et. seq.;
3. To enforce this chapter and 12 United States Code §3301 et. seq. and rules and regulations adopted pursuant thereto;
4. To discipline a certified real estate appraiser for any cause prescribed by this chapter or 12 United States Code §3301 et. seq. for any violation of the rules and regulations and refuse to grant a person permission to practice as a certified real estate appraiser for any cause that would be grounds for disciplining a certified real estate appraiser;
5. To act as the designated representative of this State to implement 12 United States Code §3301 et. seq.; and
6. To appoint an advisory committee to assist with the implementation of this chapter and 12 United States Code §3301 et. seq. and the rules and regulations adopted pursuant thereto.

Financial Data		
	FY 2015	FY 2016
Beginning Cash Balance	6,030	5,330
Beginning Encumbrances	0	0
Revenues	2,300	
Expenditures	3,000	
Transfers	0	
Ending Cash Balance	5,330	

8. Name of Fund: Service Contract Providers' Financial Security Deposits

Fund Type (MOF): T

Appropriation Symbol: T-927-R

Intended purpose: The fund will hold financial security deposits placed in trust with the Insurance Commissioner by service contract providers for all service contracts issued and in force in this State.

Current Program Activities: Current activities include the issuance and renewal of service contract providers' registration.

Financial Data		
	FY 2015	FY 2016
Beginning Cash Balance	41,560	66,560
Beginning Encumbrances	0	0
Revenues	25,000	
Expenditures	0	
Transfers	0	
Ending Cash Balance	66,560	

9. Name of Fund: Insurance Division Restitution

Fund Type (MOF): T

Appropriation Symbol: T-928-R

Intended purpose: The fund will hold deposits placed in trust with the Insurance Commissioner by defendants from an enforcement action brought by the Insurance Division. If the defendant does not comply with the terms of the settlement agreement, the Insurance Division then has the power to use these funds to provide restitution to the complainants involved.

Current Program Activities: No deposits being held.

Financial Data		
	FY 2015	FY 2016
Beginning Cash Balance	0	0
Beginning Encumbrances	0	0
Revenues	0	
Expenditures	0	
Transfers	0	
Ending Cash Balance	0	

10. Name of Fund: Captive Insurance Companies Letters of Credit Escrow

Fund Type (MOF): T

Appropriation Symbol: T-931-R

Intended purpose: The fund shall be used to maintain cash drawn from Letters of Credit (“LOC”) issued on behalf of captive insurance licensees and in favor of the Insurance Commissioner.

Current Program Activities: The Commissioner may draw upon the LOC when the captive licensee is not in compliance with the provisions of Article 19 of Chapter 431, HRS, including, but not limited to, its minimum capital and surplus requirements, applicable investment provisions, or otherwise in adverse financial condition, or operating in a manner that is detrimental or its condition unsound with respect to the public or to its policyholders. The cash drawn from the LOC is used to cover liabilities and other obligations of the captive licensee, including policy holder claims, operating expenses, taxes, fees, fines, and other expenses.

Financial Data		
	FY 2015	FY 2016
Beginning Cash Balance	514	516
Beginning Encumbrances	0	0
Revenues	2	
Expenditures	0	
Transfers	0	
Ending Cash Balance	516	

11. Name of Fund: Multi-State Mortgage Servicer Agreement Fund

Fund Type (MOF): T

Appropriation Symbol: T-932-R

Intended purpose: Provide support of general consumer protection enforcement efforts, including but not limited to, mortgage rescue fraud, and to educate homeowners about mortgage rescue fraud scams; and monitor compliance with the terms of the multi-state mortgage servicer settlement agreements, supervise and regulate the mortgage loan industry.

Current Program Activities: The fund supports the Department in hiring additional legal, investigative and support staff to support ongoing enforcement actions, investigations and outreach programs, as well as related operating expenses. The funds are used to hire staff to conduct investigations, examine for compliance with applicable laws and rules, and to provide consumer education and outreach. The funds are also used for related expenses including training of staff.

Financial Data		
	FY 2015	FY 2016
Beginning Cash Balance	1,380,418	1,013,136
Beginning Encumbrances	0	572,007
Revenues	250,505	
Expenditures	617,787	
Transfers	0	
Ending Cash Balance	1,013,136	