



**DEPARTMENT OF
COMMERCE AND
CONSUMER AFFAIRS**

**INFORMATIONAL BRIEFING BEFORE THE
HOUSE COMMITTEE ON
CONSUMER PROTECTION & COMMERCE**

JANUARY 19, 2016

Department of Commerce and Consumer Affairs (DCCA)



Mission of DCCA

Promote a strong and healthy business environment by upholding fairness and public confidence in the marketplace, and by increasing knowledge and opportunity for our businesses and citizens.



General Duties and Functions



Regulation of commercial activities in the State including:

- Licensing of Professionals in Various Industries
- Enforcement of laws for Licensed and Unlicensed Activity
- Cable Television Regulation and other Communications Activity (e.g., broadband)
- Insurance Industry Regulation
- Regulation of Financial Institutions and other Financial Activity (e.g., mortgage lending, money transmitters)
- Securities Regulation
- Public Utilities Regulation (e.g., electricity, motor carriers (non-taxi), water carriers, gas, private water/wastewater, telecommunications)
- Business Registrations
- General Consumer Protection Enforcement

General Duties and Functions (cont.)



General Administrative Hearings support for DCCA and other state programs

Consumer Education and Outreach

- Ongoing Consumer Education Programs
- Outreach and Public Service Announcements (digital media presence)

Departmental Operations

- Administrative: Fiscal, Personnel, Facilities, Information Systems

DCCA Funding Structure



Compliance Resolution Fund (CRF)

The CRF is the primary funding source for DCCA. As such, DCCA is a specially funded agency that strives to operate under a self-sufficiency model. Fees and revenues collected are to be used for the regulation of the contributing industries.

Departmental Financial Approach

- Ensure revenues to cover expenses and equitable contribution by divisions to departmental overhead costs
- Maintain sufficient reserves for unexpected contingencies

Note: The PUC and Div. of Consumer Advocacy receive funding from the Public Utilities Commission Special Fund [HRS § 269-33]

DCCA Organizational Structure



DCCA is comprised of numerous divisions responsible for DCCA's primary functions, as well as additional programs and an attached agency:

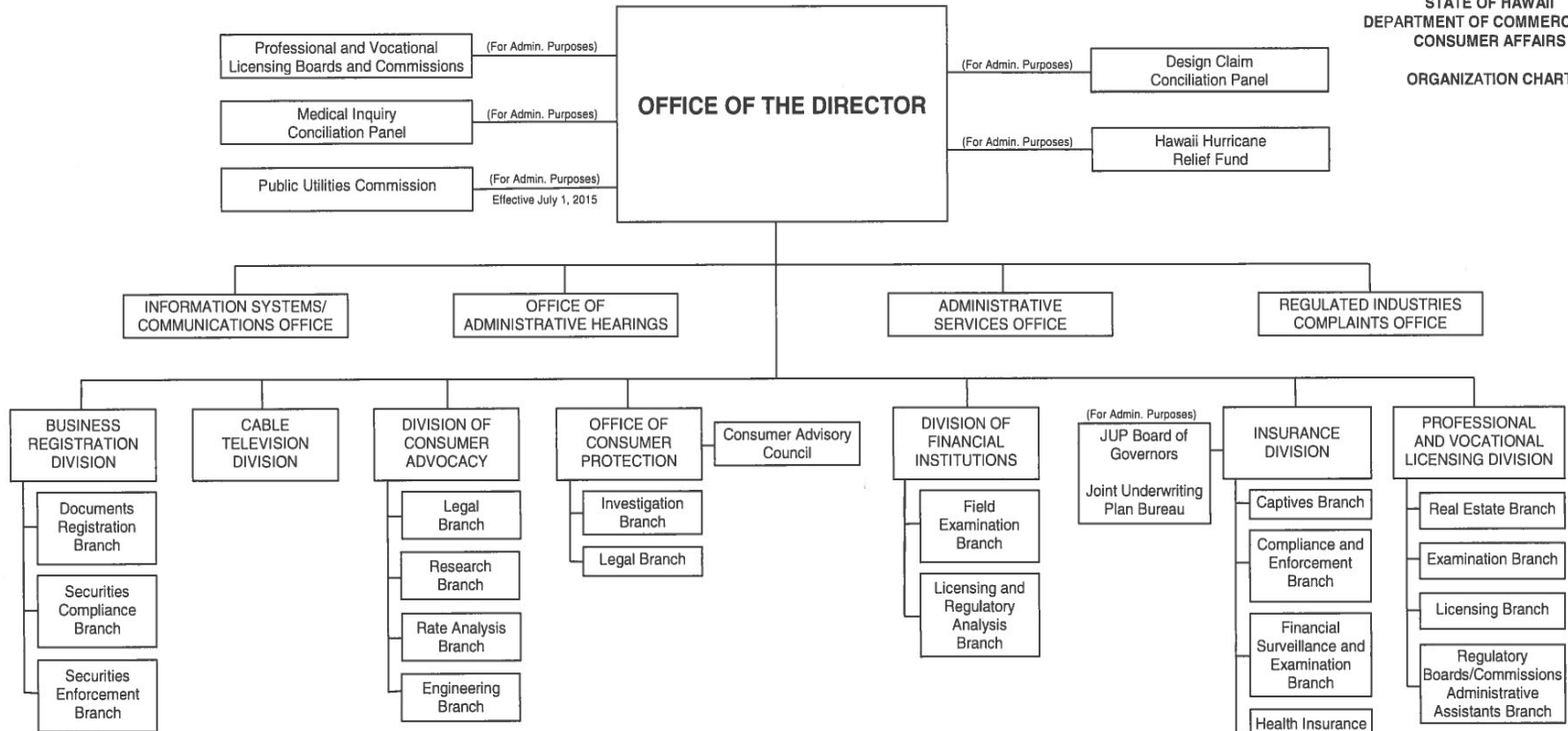
DCCA Divisions (9 public facing divisions)

1. Business Registration Division
2. Cable Television Division
3. Division of Consumer Advocacy
4. Division of Financial Institutions
5. Insurance Division
6. Office of Administrative Hearings
7. Office of Consumer Protection
8. Professional and Vocational Licensing Division
9. Regulated Industries Complaints Office

DCCA Programs and Administratively Attached Agency

- Hawaii Post-Secondary Education Authorization Program
- Public Utilities Commission

STATE OF HAWAII
DEPARTMENT OF COMMERCE AND
CONSUMER AFFAIRS
ORGANIZATION CHART



PROFESSIONAL AND VOCATIONAL LICENSING BOARDS, COMMISSIONS AND PROGRAMS

- | | | | |
|--|---|---|--------------------------------------|
| Accountancy | Dental Examiners | Motor Vehicle Industry Licensing | Psychology |
| Activity Providers and Activity Desks* | Dispensing Opticians* | Motor Vehicle Repair Industry Licensing | Real Estate |
| Acupuncture | Electricians and Plumbers | Naturopathic Medicine | Real Estate Appraisers* |
| Athletic Trainers* | Electrologists* | Nurses Aides* | Respiratory Therapists* |
| Barbering and Cosmetology | Elevator Mechanics | Nursing | Social Workers* |
| Boxing | Engineers, Architects, Surveyors and Landscape Architects | Nursing Home Administrators* | Speech Pathologists and Audiologists |
| Cemetery and Pre-Need Funeral Authority* | Hearing Aid Dealers and Fitters* | Occupational Therapists* | Subdivision* |
| Chiropractic Examiners | Limited Equity Housing Cooperatives* | Optometry | Time Sharing* |
| Collection Agencies* | Marriage and Family Therapists* | Pest Control | Travel Agencies* |
| Commercial Employment Agencies* | Massage Therapy | Pharmacy | Uniform Athlete Agents* |
| Condominium Property Regimes* | Medical | Physical Therapy | Veterinary Examiners |
| Contractors | Mental Health Counselors | Pilotage* | |
| | Mixed Martial Arts | Private Detectives and Guards | |

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* Programs without boards or commissions.

Business Registration Division (BREG)



- Oversees business registrations and securities regulation
- Business Registration
 - Maintains administrative business registry through which BREG registers marks, names, and business entities
 - Runs Hawaii Business Action Centers (Kahului, Hilo, and Nimitz Center)
- Securities Regulation
 - Comprised of three branches: Compliance, Enforcement, and Investor Education
 - Examines securities firms, receives complaints, investigates, and prosecutes securities and franchise violations
- Consumer/Investor Education Programs
 - Coordinates and participates in different consumer/investor ed. programs

Cable Television Division (CATV)



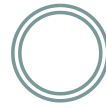
- Issues and renews franchises to Hawaii cable companies and monitors the quality of service that subscribers receive
- Enforces requirements and obligations of the cable franchise orders, oversees the provision of cable television services, and handles complaints about cable television matters
- Promotes and facilitates the development and deployment of broadband services to provide access to affordable broadband throughout the State; fosters the use and adoption of broadband services

Division of Consumer Advocacy (DCA)



- Protects and represents the interests of consumers before the Public Utilities Commission and other federal agencies with regulatory jurisdiction over public utility services, including electricity, telecommunications, pipeline gas, private water and wastewater, and interisland water transportation
- Assists and represents customers as a whole rather than single customers or a select group of customers

Division of Financial Institutions (DFI)



- Ensures the safety and soundness of state-chartered and state-licensed financial institutions, including banks, and depository and non-depository financial service loan companies
- Ensures regulatory compliance by state-licensed financial institutions, escrow depositories, money transmitters, mortgage servicers, and mortgage loan originators, and mortgage loan originator companies
- Administers applicable statutes and rules to protect the rights and funds of depositors, borrowers, consumers, and other members of the public

Insurance Division (INS)



- Oversees the State's insurance industry (handling all lines of insurance)
- Issues licenses; examines the financial condition of Hawaii-based companies; reviews rate and policy filings; investigates insurance related companies
- The captive insurance branch specializes in the licensure, regulation, and administration of Hawaii-based captive insurance companies, as well as, the prudent development of the State's captive insurance industry

Office of Administrative Hearings (OAH)



- Conducts hearings and issues recommended decisions for cases originating at DCCA
- OAH also hears:
 - Medical inquiries (Medical Inquiry and Conciliation Panel)
 - Tort claims against design professionals
 - Disputes arising from the State's procurement laws
 - Due process hearings involving Individuals with Disabilities Education Act and the Department of Education
 - Contested case hearings involving the Employees' Retirement System of the State
 - Disputes among manufacturers, distributors, or dealers of motor vehicles

Office of Consumer Protection (OCP)



- Investigates and prosecutes consumer complaints in unfair or deceptive trade practices in advertising, refunds, motor vehicle rentals, door-to-door sales and credit practices
- Provides consumer education and promotes awareness of important consumer protection issues
- Provides information to both landlords and tenants about the Residential Landlord-Tenant Code
- Offices in Honolulu, Hilo, and Wailuku



Professional and Vocational Licensing Division (PVL)



- Oversees the regulatory activities of 25 licensing boards and 24 other licensing programs
- Licenses approximately 146,000 licensees
- Real Estate Branch – located within PVL – is responsible for real estate and condominium education, real estate licensing, and condominium project registration, education and mediation



Regulated Industries Complaints Office (RICO)



- Investigates and prosecutes complaints against professionals licensed by PVL and protects the public from unlicensed activities
- Administers the State Certified Arbitration Program for “lemon” vehicles
- Staffs the Consumer Resource Center (CRC)
 - The CRC provides information on a wide variety of topics, provides business registration, licensing and complaints history information, and receives written complaints
- Offices in Honolulu, Hilo, Wailuku, and Lihue

Additional DCCA Programs/Attached Agency



- **Hawaii Post-Secondary Education Authorization Program (HPEAP)**
 - Authorizes accredited post-secondary degree-granting institutions to operate in the State
 - Attached to DCCA (Office of the Director)
- **Public Utilities Commission (PUC)**
 - Administratively attached to DCCA [Act 108, SLH 2014], effective 7/1/15
 - Regulates all franchised or certificated public utility companies operating in the State
 - Approves the rates, tariffs, charges, and fees of public utilities
 - Issues guidelines concerning the general management of franchised or certificated utility companies
 - Office in Honolulu, Lihue, Wailuku, and Hilo

Significant Recent Accomplishments



- **Cable Television Mergers**
 - Comcast-Oceanic Time Warner (proposed; withdrawn)
 - Charter-Oceanic Time Warner (conditionally approved 12/17/2015)
- **Consumer Education/Outreach Programs**
 - Hawaii's Fraud Guide 2nd Edition (BREG)
 - LifeSmarts Program (competition scheduled for 2/20/2016)
- **Establishment of a new licensing program for Behavior Analysts per Act 199, SLH 2015 (PVL)**
- **Participation in Key Energy Regulatory Proceedings/Dockets**
 - NextEra-HEI Merger Docket and Evidentiary Hearings
- **Assistance with ACA-Hawaii Health Connector Developments**

Significant Recent Accomplishments (cont.)



- **Consumer support during Heald College closure (HPEAP)**
 - Addressing inquiries and providing public information on closure
 - Processing of transcript and record requests
- **Ongoing Licensing and Regulatory Operations**
 - Working toward continuous improvement and updating of systems and processes (e.g., Licensing Application Processing Times)
 - Remaining responsive to consumer complaints and other issues within DCCA's jurisdiction
- **Efforts to improve the overall functioning of DCCA**
 - Information systems improvements (departmental migration to Office365)
 - Licensing and monitoring computer systems upgrades and funding
- **Electronic application process and examination process for DFI licensees**

Ongoing Efforts and Challenges

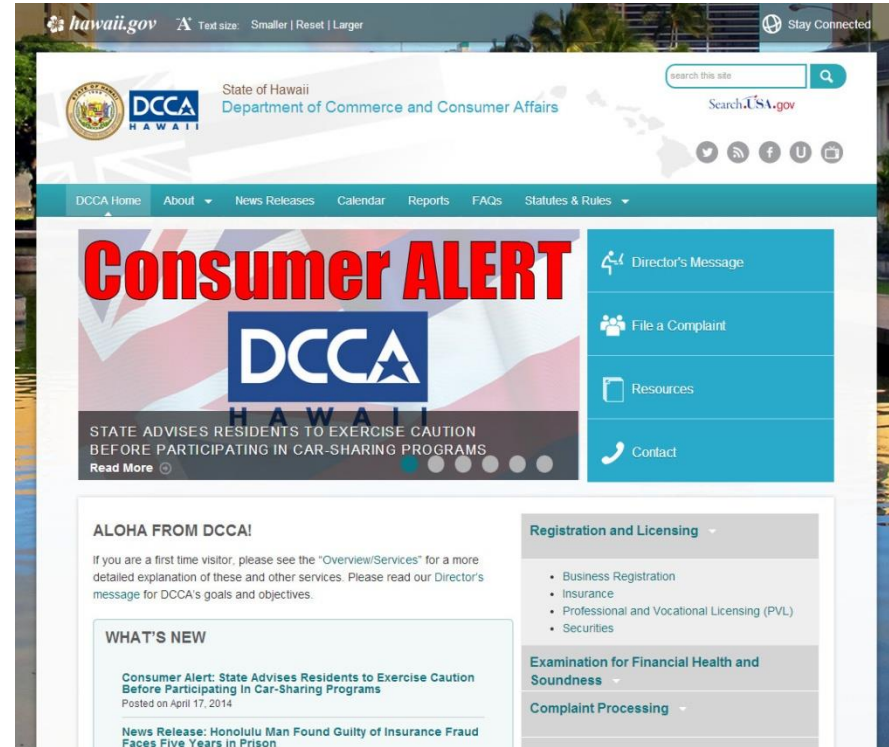


- Space availability/capacity limitations to house operations for current programs
- Successful and timely implementation of new DCCA responsibilities/programs
- Rollout of updates/upgrades for antiquated databases in Professional and Vocational Licensing Division (ALIAS) and Regulated Complaints Office (Complaints Management System)
- Completion of necessary fee adjustments for Professional and Vocational Licensing and Regulated Industries Complaints Office

Contact Us



- **Phone**
Contact information in the DCCA Directory of Services or call 587-DCCA (587-3222)
- **Email**
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www.cca.hawaii.gov



Social Media



- Facebook
 - <https://www.facebook.com/DCCAHawaii>



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Mahalo!

