

# The Agency

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## Department of Business Regulation

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### Agency Operations

The Department of Business Regulation's primary function is to implement state laws mandating the regulation and licensing of designated businesses, professions, occupations and other specified activities. The department is composed of three divisions and Central Management, which includes budget, personnel, and legal. The respective divisions are: Banking and Securities, Commercial Licensing and Regulation, Racing and Athletics, and Insurance.

The Director of Business Regulation is appointed by the Governor and serves statutorily as the State Banking Commissioner, Commissioner of Insurance, Real Estate Administrator, and State Boxing Commissioner. The Board of Bank Incorporation hears appeals from decisions made by the Banking Division regarding applications for the chartering of financial institutions, new branches and locations, and changes in the by-laws of certain regulated institutions. Other commissions housed within the department include the Real Estate Commission, Real Estate Appraisal Board, Rhode Island Board of Accountancy, and Racing and Athletics Hearing Board. The department issues approximately 125,000 licenses and conducts administrative hearings involving issuances, administrative penalties, suspensions and/or revocations.

### Agency Objectives

To assist, educate, and protect the public through the implementation and enforcement of state laws mandating regulation and licensing of designated businesses, professions, occupations, and other specific activities, while recognizing the need to foster a sound business environment.

### Statutory History

The department was established by the Rhode Island General Assembly in 1939 and is organized under R.I. General Laws §§ 42-14-1 et seq.

# The Budget

## Department of Business Regulation

	FY 2005 Actual	FY 2006 Actual	FY 2007 Revised	FY 2008 Recommended
<b>Expenditures by Program</b>				
Central Management	1,656,769	1,629,015	1,297,954	1,363,012
Banking Regulation	1,659,020	1,698,924	-	-
Securities Regulation	775,277	843,559	-	-
Commercial Licensing and Regulation	1,234,895	1,150,809	-	-
Racing and Athletics	477,445	475,734	-	-
Insurance Regulation	3,818,608	4,497,363	5,610,635	5,965,923
Board of Accountancy	132,813	141,726	146,208	155,449
Banking and Securities	-	-	2,857,649	3,083,499
Commercial Licensing , Racing & Athletics	-	-	1,750,667	1,933,059
<b>Total Expenditures</b>	<b>\$9,754,827</b>	<b>\$10,437,130</b>	<b>\$11,663,113</b>	<b>\$12,500,942</b>
<b>Expenditures By Object</b>				
Personnel	8,402,300	9,094,513	10,330,315	11,155,352
Operating Supplies and Expenses	1,271,352	1,293,180	1,210,898	1,249,256
Aid To Local Units Of Government	-	-	-	-
Assistance, Grants and Benefits	-	-	105,000	80,000
<b>Subtotal: Operating Expenditures</b>	<b>\$9,673,652</b>	<b>\$10,387,693</b>	<b>\$11,646,213</b>	<b>\$12,484,608</b>
Capital Purchases and Equipment	81,175	49,437	16,900	16,334
Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
<b>Total Expenditures</b>	<b>\$9,754,827</b>	<b>\$10,437,130</b>	<b>\$11,663,113</b>	<b>\$12,500,942</b>
<b>Expenditures By Funds</b>				
General Revenue	9,278,429	9,768,222	10,812,564	11,627,571
Federal Funds	-	-	43,291	51,742
Restricted Receipts	476,398	668,908	807,258	821,629
<b>Total Expenditures</b>	<b>\$9,754,827</b>	<b>\$10,437,130</b>	<b>\$11,663,113</b>	<b>\$12,500,942</b>
<b>FTE Authorization</b>	<b>109.0</b>	<b>110.0</b>	<b>103.0</b>	<b>103.0</b>
<b>Agency Measures</b>				
Minorities as Percentage of Workforce	3.0%	4.0%	4.0%	4.0%
Females as Percentage of Workforce	56.0%	54.0%	54.0%	54.0%
Persons with Disabilities as a Percentage of the Workforce	-	-	-	-

# The Program

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## Department of Business Regulation Central Management

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### Program Operations

Central Management (Director's office) is composed of budget, personnel, legal and computer operations. Specific functions include legal research, drafting and analysis of legislation, issuance of legal opinions related to the department's operations, conducting administrative and rate hearings, and providing legal services to the Director, Associate Directors, and advising the other commissions housed within the department. Central Management compiles, submits and monitors budgets of the respective divisions, approves vouchers and contracts, and provides all personnel and management services.

The Director issues show cause and cease and desist orders; renders decisions relative to the operations of financial institutions and insurance companies; has the authority to deny, suspend, or revoke licenses, approve or disapprove rates; and acts as receiver in case of insolvency of certain regulated entities.

The Director or his/her designee may be a member of various occupational licensing boards and commissions assigned to the department by the legislature in order to assist in the administration and regulation of licensing programs. The Director is also a member of such diverse administrative bodies as the Board of Bank Incorporation and the Rhode Island Housing and Mortgage Finance Corporation.

Central Management is also responsible for monitoring legislation impacting the department and for the annual submission of its own legislative program.

### Program Objectives

To administer the functions for the department with regard to the licensing and regulation of designated businesses, occupations and professions through the enforcement of applicable state laws.

### Statutory History

R.I.G.L. §42-14-1 establishes the Director as head of the department. R.I. General Law §42-14-2 enumerates the functions of the department regarding the regulation of assigned occupations, businesses, and professions.

# The Budget

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## Department of Business Regulation Central Management

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	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
	<b>Actual</b>	<b>Actual</b>	<b>Revised</b>	<b>Recommended</b>
<b>Expenditures By Object</b>				
Personnel	1,342,884	1,228,247	1,056,341	1,114,460
Operating Supplies and Expenses	310,140	397,230	238,013	243,952
Aid To Local Units Of Government	-	-	-	-
Assistance, Grants and Benefits	-	-	-	-
<b>Subtotal: Operating Expenditures</b>	<b>\$1,653,024</b>	<b>\$1,625,477</b>	<b>\$1,294,354</b>	<b>\$1,358,412</b>
Capital Purchases and Equipment	3,745	3,538	3,600	4,600
Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
<b>Total Expenditures</b>	<b>\$1,656,769</b>	<b>\$1,629,015</b>	<b>\$1,297,954</b>	<b>\$1,363,012</b>
<b>Expenditures By Funds</b>				
General Revenue	1,656,769	1,629,015	1,297,954	1,363,012
<b>Total Expenditures</b>	<b>\$1,656,769</b>	<b>\$1,629,015</b>	<b>\$1,297,954</b>	<b>\$1,363,012</b>
<b>Program Measures</b>	NA	NA	NA	NA

# The Program

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## Department of Business Regulation Banking Regulation

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### Program Operations

Banking Regulation provided regulatory oversight of state-chartered financial institutions, credit unions and licensees through financial examinations and reviews to determine compliance with state banking laws, financial solvency, and safety and soundness operations.

Banking Regulation was responsible for regulating, monitoring and examining twenty-nine (29) state-chartered financial institutions and credit unions and approximately 1,300 licensees. The division accomplished its program objectives through the process of licensing, chartering and examining financial institutions and licensees. The purposes of examinations are to determine financial solvency and compliance with Rhode Island banking laws and regulations for the protection of depositors and the public interest. The division reviewed and conducted hearings on applications filed by financial institutions and credit unions for charters, branches and other pertinent financial institution and credit union business. Licensees included lenders, loan brokers, loan lenders, foreign exchange transactions, sale of check and electronic money transfers, check cashers, and debt poolers. Additionally, Banking Regulation enforced statutes relating to maximum interest charges and state usury laws and conducts administrative hearings when required. Additional responsibilities included investigating and resolving several hundred consumer complaints and inquiries each year.

The division was made part of the Banking and Securities Regulation division beginning in FY 2007.

### Program Objectives

To charter, license and ensure compliance with statutory requirements for the safe and sound operation of regulated institutions and licensees in order to protect the public interest.

### Statutory History

R.I. General Laws 19-1 to 19-14.2 charge the division with the regulation of Financial Institutions and Lenders, Small Loan Lenders, and Loan Broker Licensees. R.I. General Laws 6-26 to 6-27 relate to Interest, Usury and Truth in Lending. R.I. General Laws 34-23 to 34-27 relate to Mortgages. R.I. General Laws 19-14.3, 19-14.4 and 19-14.5 relate to the Sale of Checks and Electronic Money Transfers, Check Cashing, and Foreign Exchange Transactions, respectively. R.I. General Law 5-66 relates to Debt Pooling.

# The Budget

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## Department of Business Regulation Banking Regulation

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	FY 2005 Actual	FY 2006 Actual	FY 2007 Revised	FY 2008 Recommended
<b>Expenditures By Object</b>				
Personnel	1,435,438	1,541,338	-	-
Operating Supplies and Expenses	223,650	148,790	-	-
Aid To Local Units Of Government	-	-	-	-
Assistance, Grants and Benefits	-	-	-	-
<b>Subtotal: Operating Expenditures</b>	<b>\$1,659,088</b>	<b>\$1,690,128</b>	-	-
Capital Purchases and Equipment	(68)	8,796	-	-
Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
<b>Total Expenditures</b>	<b>\$1,659,020</b>	<b>\$1,698,924</b>	-	-
<b>Expenditures By Funds</b>				
General Revenue	1,659,020	1,698,924	-	-
<b>Total Expenditures</b>	<b>\$1,659,020</b>	<b>\$1,698,924</b>	-	-
<b>Program Measures</b>				
Percentage of State-Chartered Institutions Examined in Substantial Compliance with the Banking Code	97.5%	100.0%	-	-
Percentage of Other Lending Licensees Examined in Substantial Compliance with the Banking Code	85.0%	85.0%	-	-

# The Program

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## Department of Business Regulation Securities Regulation

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### Program Operations

Securities Regulation was responsible for the registration of certain securities, the licensing and regulation of broker-dealers, sales representatives, certain investment advisers and certain investment adviser representatives.

The division was also responsible for enforcing compliance with the State's Franchise Investment Act, the registration of charitable organizations and fundraising groups, and the state's Real Estate Time-Share Act. The division processed licenses registrations, conducted on-site examinations of broker-dealers and investment advisers, investigated complaints, and instituted enforcement actions, pursuant to applicable state and federal laws and regulations.

The division was made part of the Banking and Securities Regulation division beginning in FY 2007.

### Program Objectives

To enforce compliance with the applicable provisions of state laws and regulations related to the securities industry, franchises, charities, fund-raisers, and time-shares.

### Statutory History

The division was charged with the administration and enforcement of the Rhode Island Uniform Securities Act ("RIUSA"), R.I. General Law 7-11; the Franchise Investment Act, R.I. General Law 19-28.1; the Charitable Solicitation Act, R.I. General Law 5-53.1; and the Real Estate Time-Share Act, R.I. General Law 34-41.

# The Budget

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## Department of Business Regulation Securities Regulation

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	FY 2005 Actual	FY 2006 Actual	FY 2007 Revised	FY 2008 Recommended
<b>Expenditures By Object</b>				
Personnel	663,845	725,742	-	-
Operating Supplies and Expenses	104,882	112,901	-	-
Aid To Local Units Of Government	-	-	-	-
Assistance, Grants and Benefits	-	-	-	-
<b>Subtotal: Operating Expenditures</b>	<b>\$768,727</b>	<b>\$838,643</b>	-	-
Capital Purchases and Equipment	6,550	4,916	-	-
Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
<b>Total Expenditures</b>	<b>\$775,277</b>	<b>\$843,559</b>	-	-
<b>Expenditures By Funds</b>				
General Revenue	775,277	843,559	-	-
<b>Total Expenditures</b>	<b>\$775,277</b>	<b>\$843,559</b>	-	-
<b>Program Measures</b>				
Percentage of Investment Advisory Firms with a Place of Business in RI Examined in Substantial Compliance with the Securities Act	100.0%	94.0%	-	-

# The Program

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## Department of Business Regulation Banking and Securities Regulation

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### Program Operations

Banking and Securities Regulation provides regulatory oversight of state-chartered financial institutions, credit unions, Rhode Island bank holding companies and licensees through financial examinations and reviews to determine compliance with state banking laws, financial solvency, and safety and soundness operations. The division is also responsible for the registration of certain securities, the licensing and regulation of broker-dealers, sales representatives, certain investment advisers and certain investment adviser representatives and also for enforcing compliance with the state's Franchise Investment Act, the registration of charitable organizations and fundraising groups, and the state's Real Estate Time-Share Act.

With respect to Banking, the division is responsible for regulating, monitoring and examining thirty-four (34) state-chartered financial institutions, Rhode Island bank holding companies, credit unions and one thousand nine hundred ninety three (1,993) banking licensee locations as of July 2006. The division also processed approximately sixty-six thousand seven hundred (66,700) securities licenses and nine thousand five hundred (9,500) securities registrations.

### Program Objectives

To charter, license and ensure compliance with statutory requirements for the safe and sound operation of regulated financial institutions, Rhode Island bank holding companies, credit unions and licensees in order to protect the public interest.

To enforce compliance with the applicable provisions of state laws and regulations related to the securities industry, franchises, charities, fund-raisers, and time-shares.

### Statutory History

R.I. General Laws Chapters §§19-1 to 19-14.7 charge the Division with the regulation of financial institutions, Rhode Island bank holding companies, credit unions as well as lender, loan broker, small loan lender, foreign exchange transaction businesses, sellers of checks, electronic money transmitters, check cashers, and debt management company licensees. RI General Laws §§6-26 to 6-27 relate to Interest, Usury and Truth in Lending. R.I. General Laws §§34-23 to 34-27 relate to Mortgages. R.I. General Laws §§19-14.3, 19-14.4, 19-14.6 and 19-14.7 relate to the Sale of Checks, Electronic Money Transfers, Check Cashing, and Foreign Exchange Transactions and Debt Management Companies. The division is charged with the administration and enforcement of the Rhode Island Uniform Securities Act ("RIUSA"), Rhode Island General Laws §7-11; the Franchise Investment Act, R.I. General Law §19-28.1; the Charitable Solicitation Act, R.I. General Law §5-53.1; and the Real Estate Time-Share Act, R.I. General Law §34-41.

# The Budget

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## Department of Business Regulation Banking and Securities Regulation

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	FY 2005 Actual	FY 2006 Actual	FY 2007 Revised	FY 2008 Recommended
<b>Expenditures By Object</b>				
Personnel	-	-	2,567,139	2,790,380
Operating Supplies and Expenses	-	-	286,910	291,685
Aid To Local Units Of Government	-	-	-	-
Assistance, Grants and Benefits	-	-	-	-
<b>Subtotal: Operating Expenditures</b>	-	-	<b>\$2,854,049</b>	<b>\$3,082,065</b>
Capital Purchases and Equipment	-	-	3,600	1,434
Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
<b>Total Expenditures</b>	-	-	<b>\$2,857,649</b>	<b>\$3,083,499</b>
<b>Expenditures By Funds</b>				
General Revenue	-	-	2,857,649	3,083,499
<b>Total Expenditures</b>	-	-	<b>\$2,857,649</b>	<b>\$3,083,499</b>
<b>Program Measures</b>				
Percentage of State-Chartered Institutions Examined in Substantial Compliance with the Banking Code	-	-	100.0%	100.0%
Percentage of Other Lending Licensees Examined in Substantial Compliance with the Banking Code	-	-	92.0%	92.0%
Percentage of Investment Advisory Firms with a Place of Business in RI Examined in Substantial Compliance with the Securities Act	-	-	100.0%	100.0%

# The Program

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## Department of Business Regulation Commercial Licensing and Regulation

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### Program Operations

Commercial Licensing and Regulation was responsible for the licensing and regulation of real estate agents, brokers and appraisers, auto body and salvage re-builder shops, auto wrecking and salvage yards, travel agencies and travel agents, upholsterers, alarm system installers, auctioneers, liquor wholesalers, breweries, wineries, salespersons (representing wholesalers) and agents (representing manufacturers and distillers), Class G (boat/airline/railroads) license holders, line-cleaners, and mobile and manufactured homes and parks. The enforcement of unit pricing, motor fuel advertising and health club pre-opening laws are also activities of this program. Administrative hearings are held to consider revocations and suspensions of licenses, including appeals from the decisions of local licensing boards that issue retail liquor licenses. The division also provided administrative services for various boards and commissions involving licensing programs. They include the Real Estate Commission, Real Estate Appraisers Board and Travel Commission.

The division was responsible for the regulation of licenses to insure compliance with statutory provisions of law and to promote the continued welfare of the general public. This included recommending approval, denial, suspension or revocation of licenses, or the imposition of sanctions or penalties and conducting of related administrative hearings.

The program provided the general public with application and licensing information for various occupations, businesses and professions. It investigated complaints received from the general public in all areas of licensing. Hearings were also held when required in order to resolve complaints.

The division was made part of the Commercial Licensing, Racing and Athletics division beginning in FY 2007.

### Program Objective

To increase the efficiency and effectiveness of occupational licensing programs and inspections in order to safeguard the health, safety, and welfare of the general public.

### Statutory History

R.I. General Law 5-58 relates to auctioneers; R.I. General Law 5-20.5 relates to real estate; R.I. General Law 5-20.7 relates to real estate appraisers; R.I. General Law 5-38 relates to automobile body repair shops; R.I. General Law 5-50 relates to pre-opening of health club sales campaigns; R.I. General Law 5-52 relates to travel agencies; R.I. General Law 5-57 relates to burglar and hold-up alarm businesses; R.I. General Law 6-31 relates to unit pricing; R.I. General Law 23-26 relates to bedding and upholstered furniture; R.I. General Laws 31-44 & 31-44.1 relate to mobile and manufactured homes; R.I. General Law 42-14.2 relates to auto wrecking and salvage yards; R.I. General Law 31-37 relates to advertising and sale of motor fuel at retail, R.I. General Law 31-46-7 relates to auto body salvage re-builders' licenses; and R.I. General Law 3-1 relates to alcoholic beverages.

# The Budget

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## Department of Business Regulation Commercial Licensing and Regulation

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	FY 2005 Actual	FY 2006 Actual	FY 2007 Revised	FY 2008 Recommended
<b>Expenditures By Object</b>				
Personnel	1,013,063	938,983	-	-
Operating Supplies and Expenses	198,861	198,405	-	-
Aid To Local Units Of Government	-	-	-	-
Assistance, Grants and Benefits	-	-	-	-
<b>Subtotal: Operating Expenditures</b>	<b>\$1,211,924</b>	<b>\$1,137,388</b>	-	-
Capital Purchases and Equipment	22,971	13,421	-	-
Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
<b>Total Expenditures</b>	<b>\$1,234,895</b>	<b>\$1,150,809</b>	-	-
<b>Expenditures By Funds</b>				
General Revenue	1,218,595	1,133,459	-	-
Restricted Receipts	16,300	17,350	-	-
<b>Total Expenditures</b>	<b>\$1,234,895</b>	<b>\$1,150,809</b>	-	-
<b>Program Measures</b>				
Percentage of Real Estate Licensees in Substantial Compliance with Real Estate Code	98.0%	100.0%	-	-
Percentage of Auto Body Shops, Auto Wrecking Yards, and Auto Salvage Re-builders in Substantial Compliance with the Code	88.9%	93.0%	-	-
Percentage of Liquor Licensees in Substantial Compliance with the Code	88.3%	83.6%	-	-

# The Program

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## Department of Business Regulation Commercial Licensing, Racing and Athletics

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### Program Operations

Commercial Licensing and Racing and Athletics is responsible for the licensing and regulation of real estate agents, brokers and appraisers, auto body and salvage re-builder shops, auto wrecking and salvage yards, glass installation, travel agencies and travel agents, upholsterers, alarm system installers, auctioneers, liquor wholesalers, breweries, wineries, salespersons (representing wholesalers) and agents (representing manufacturers and distillers), Class G (boat/airline/railroad) license holders, line-cleaners, and mobile and manufactured homes and parks and the enforcement of unit pricing, motor fuel advertising and health club pre-opening laws. The division is also responsible for supervising the enforcement of laws related to licensing and regulation of racing and athletics activities, including dog racing, boxing, wrestling, kickboxing and simulcast wagering and the accounting and collection of racing taxes and fees as specified by state law.

The program provides the general public with application and licensing information for various occupations, businesses and professions. It investigates complaints received from the general public in all areas of licensing. The division also oversees simulcast wagering operations at Lincoln Park and Newport Grand facilities and conducts and participates in hearings, collects tax revenue and issues occupational licenses.

### Program Objective

To increase the efficiency and effectiveness of occupational licensing programs and inspections in order to safeguard the health, safety, and welfare of the general public.

To enforce, adjust, amend, and interpret all rules and regulations governing pari-mutuel wagering sports and all professional boxing, wrestling and kickboxing events in the state.

### Statutory History

R.I. General Laws §5-58 relates to auctioneers; R.I. General Laws §5-20.5 relates to real estate; R.I. General Laws §5-20.7 relates to real estate appraisers; R.I. General Laws §5-38 relates to automobile body repair shops; R.I. General Laws §5-50 relates to pre-opening of health club sales campaigns; R.I. General Laws §5-52 relates to travel agencies; R.I. General Laws §5-57 relates to burglar and hold-up alarm businesses; R.I. General Laws §6-31 relates to unit pricing; R.I. General Laws §§23-26 relate to bedding and upholstered furniture; R.I. General Laws §§31-44 & §31-44.1 relate to mobile and manufactured homes; R.I. General Laws §42-14.2 relates to auto wrecking and salvage yards; R.I. General Laws §31-37 relates to advertising and sale of motor fuel at retail, R.I. General Laws §31-46-7 relates to auto body salvage re-builders' licenses; and R.I. General Laws §3-1 relates to alcoholic beverages. R.I. General Laws §41-1 established the Commission on Horse Racing and Athletics in 1956. In 1987, the general laws were amended abolishing the commission and creating The Division of Racing and Athletics within the Department of Business Regulation.

# The Budget

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## Department of Business Regulation Commercial Licensing, Racing & Athletics

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	FY 2005 Actual	FY 2006 Actual	FY 2007 Revised	FY 2008 Recommended
<b>Expenditures By Object</b>				
Personnel	-	-	1,377,509	1,538,505
Operating Supplies and Expenses	-	-	288,958	311,254
Aid To Local Units Of Government	-	-	-	-
Assistance, Grants and Benefits	-	-	80,000	80,000
<b>Subtotal: Operating Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,746,467</b>	<b>\$1,929,759</b>
Capital Purchases and Equipment	-	-	4,200	3,300
Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,750,667</b>	<b>\$1,933,059</b>
<b>Expenditures By Funds</b>				
General Revenue	-	-	1,650,667	1,833,059
Restricted Receipts	-	-	100,000	100,000
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,750,667</b>	<b>\$1,933,059</b>
<b>Program Measures</b>				
Percentage of Real Estate Licensees in Substantial Compliance with Real Estate Code	-	-	98.0%	98.0%
Percentage of Auto Body Shops, Auto Wrecking Yards, and Auto Salvage Re-builders in Substantial Compliance with the Code	-	-	100.0%	100.0%
Percentage of Liquor Licensees in Substantial Compliance with the Code	-	-	85.0%	85.0%
Percentage of Tested Greyhounds Testing Negative for Chemical Substances	-	-	100.0%	100.0%

# The Program

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## Department of Business Regulation Racing and Athletics

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### Program Operations

The Racing and Athletics division was responsible for supervising the enforcement of laws related to licensing and regulation of racing and athletics activities, including dog racing, boxing, wrestling, kickboxing and simulcast wagering. It was also responsible for the accounting and collection of racing taxes and fees as specified by state law.

The division promulgates rules and regulations governing pari-mutuel wagering, boxing, wrestling and kickboxing; issues specified operating dates to licensees; monitors all wagering; monitors commissions for the state, licensees, and cities and towns; handles licensing, and finger printing and photo badging of all personnel and licensees; ensures that security is furnished by licensees of pari-mutuel facilities, boxing, wrestling and kickboxing events; and provides aid and assistance to the public, as requested, including forms, printing, photocopying, and rules and regulations.

The division also oversaw simulcast wagering operations at Lincoln Park and Newport Grand facilities and conducted and participated in hearings, collects tax revenue and issues occupational licenses.

The division was made part of the Commercial Licensing, Racing and Athletics division beginning in FY 2007.

### Program Objectives

To enforce, adjust, amend, and interpret all rules and regulations governing pari-mutuel wagering sports and all professional boxing, wrestling and kickboxing events in the state.

### Statutory History

R.I. General Law 41-1 established the Commission on Horse Racing and Athletics in 1956. In 1987, the general laws were amended abolishing the commission and creating the Division of Racing and Athletics within the Department of Business Regulation.

# The Budget

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## Department of Business Regulation Racing and Athletics

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	FY 2005 Actual	FY 2006 Actual	FY 2007 Revised	FY 2008 Recommended
<b>Expenditures By Object</b>				
Personnel	385,658	385,316	-	-
Operating Supplies and Expenses	85,736	85,806	-	-
Aid To Local Units Of Government	-	-	-	-
Assistance, Grants and Benefits	-	-	-	-
<b>Subtotal: Operating Expenditures</b>	<b>\$471,394</b>	<b>\$471,122</b>	<b>\$0</b>	<b>\$0</b>
Capital Purchases and Equipment	6,051	4,612	-	-
Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
<b>Total Expenditures</b>	<b>\$477,445</b>	<b>\$475,734</b>	<b>\$0</b>	<b>\$0</b>
<b>Expenditures By Funds</b>				
General Revenue	477,445	475,734	-	-
<b>Total Expenditures</b>	<b>\$477,445</b>	<b>\$475,734</b>	<b>\$0</b>	<b>\$0</b>
<b>Program Measures</b>				
Percentage of Tested Greyhounds Testing Negative for Chemical Substances	99.8%	99.6%	-	-

# The Program

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## Department of Business Regulation Insurance Regulation

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### Program Operations

The Insurance Division is responsible for conducting financial examinations of domestic insurance companies to ensure financial solvency and market conduct examinations of domestic or foreign insurance companies to ensure compliance with the insurance statutes and regulations. The program performs several licensing functions including, but not limited to, the licensing of companies, producers, adjusters and appraisers. The program also reviews rate and form filings for the Life, Accident and Health, and Property and Casualty lines of business for compliance with state statutes and regulations, and addresses consumer complaints for these lines of business. The program monitors and introduces legislation in order to maintain accreditation by the National Association of Insurance Commissioners, which it received in June of 1993. The division was once again accredited in December 1998.

The 2004 General Assembly established The Office of the Health Insurance Commissioner (OHIC) within the Department of Business Regulation. OHIC staff is engaged in policy and legislative development, rate hearing administration, regulatory development and promulgation, consumer affairs and provider affairs. It is also responsible for activities performed by the DBR staff related to the regulation of Health Insurers and Hospital/Medical Service Corporations. These include but are not limited to company licensure, form and rate filing for regulatory compliance, and financial and market conduct examinations.

### Program Objectives

To monitor effectively the financial condition and market conduct of insurance companies licensed to do business in the State of Rhode Island.

To monitor activities of all licensees such as producers, adjusters and appraisers.

To ensure consumer access to an equitable insurance market and respond to consumer inquiries and complaints.

To maintain accreditation by the National Association of Insurance Commissioners.

To guard the solvency of health insurers; protect the interests of consumers; encourage fair treatment of health care providers; and to encourage policies and developments that improve the quality and efficiency of health care service delivery and outcomes.

### Statutory History

All chapters of R.I. General Laws §§27-1,42-14, and 28-29 through 28-38, and all Insurance Division regulations.

# The Budget

## Department of Business Regulation Insurance Regulation

	FY 2005 Actual	FY 2006 Actual	FY 2007 Revised	FY 2008 Recommended
<b>Expenditures By Object</b>				
Personnel	3,437,336	4,145,550	5,196,231	5,569,743
Operating Supplies and Expenses	339,346	339,489	383,904	389,180
Aid To Local Units Of Government	-	-	-	-
Assistance, Grants and Benefits	-	-	25,000	-
<b>Subtotal: Operating Expenditures</b>	<b>\$3,776,682</b>	<b>\$4,485,039</b>	<b>\$5,605,135</b>	<b>\$5,958,923</b>
Capital Purchases and Equipment	41,926	12,324	5,500	7,000
Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
<b>Total Expenditures</b>	<b>\$3,818,608</b>	<b>\$4,497,363</b>	<b>\$5,610,635</b>	<b>\$5,965,923</b>
<b>Expenditures By Funds</b>				
General Revenue	3,358,510	3,845,805	4,860,086	5,192,552
Federal Funds	-	-	43,291	51,742
Restricted Receipts	460,098	651,558	707,258	721,629
<b>Total Expenditures</b>	<b>\$3,818,608</b>	<b>\$4,497,363</b>	<b>\$5,610,635</b>	<b>\$5,965,923</b>
<b>Program Measures</b>				
Percentage of Domestic Insurance Companies in Substantial Compliance with the Insurance Code (Market Conduct Examinations)	100.0%	75.0%	75.0%	75.0%

# The Program

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## Department of Business Regulation Board of Accountancy

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### Program Operations

The Board of Accountancy is an autonomous board that is responsible for the administration of the licensing of certified public accountants, partnerships, corporations, and sole proprietorships. It processes applications and fees, and issues license certificates and annual permits to regulated business, occupations and professions.

The board is responsible for governing the conduct of assigned licensees in order to comply with statutory provisions of the law and to promote the continued welfare of the general public. This includes recommending approval, denial, suspension or revocation of licenses or the imposition of such sanctions or penalties allowed by law.

Hearings are held when required in order to resolve complaints and to act upon the denial, suspension or revocation of licenses. The board investigates complaints from the general public in all areas of licensing addressed above.

Board personnel also provide the general public with application and licensing information for various occupations, businesses and professions, and provide copies of licensing laws and regulations upon request.

### Program Objectives

The board intends to continue to intensify its analysis of continuing education records, as well as firm compliance with peer reviews, to efficiently process license renewals and responses, and to commence and resolve disciplinary actions efficiently and promptly.

### Statutory History

R.I. General Laws §§5-3.1 et seq. (1956) relate to the Board of Accountancy.

# The Budget

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## Department of Business Regulation Board of Accountancy

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	FY 2005 Actual	FY 2006 Actual	FY 2007 Revised	FY 2008 Recommended
<b>Expenditures By Object</b>				
Personnel	124,076	129,337	133,095	142,264
Operating Supplies and Expenses	8,737	10,559	13,113	13,185
Aid To Local Units Of Government	-	-	-	-
Assistance, Grants and Benefits	-	-	-	-
<b>Subtotal: Operating Expenditures</b>	<b>\$132,813</b>	<b>\$139,896</b>	<b>\$146,208</b>	<b>\$155,449</b>
Capital Purchases and Equipment	-	1,830	-	-
Debt Service	-	-	-	-
Operating Transfers	-	-	-	-
<b>Total Expenditures</b>	<b>\$132,813</b>	<b>\$141,726</b>	<b>\$146,208</b>	<b>\$155,449</b>
 <b>Expenditures By Funds</b>				
General Revenue	132,813	141,726	146,208	155,449
<b>Total Expenditures</b>	<b>\$132,813</b>	<b>\$141,726</b>	<b>\$146,208</b>	<b>\$155,449</b>
 <b>Program Measures</b>				
Percentage of CPA's and PA's who meet Continuing Professional Education Requirements in Accordance with R.I. General Law	98.0%	98.0%	98.0%	98.0%