

Procedure-Withholding of GA Motel Payments

Act 113 of 2024 directs DCF to apply General Assistance Rule 2650.1 to hotels and motels participating in emergency housing assistance. This rule authorizes DCF to withhold payments to motels under certain circumstances.

General Assistance Rule 2650.1 states that:

Persons who provide lodging to emergency housing assistance recipients must hold a lodging license issued by the Vermont Department of Health. These persons must comply with all applicable laws and rules, including but not limited to the Licensed Lodging Establishment Rule and the Vermont Fire and Building Safety Code. The Department may withhold full or partial payment to any person who violates any law or rule or whose license is suspended, revoked, expired, or otherwise invalid. Specifically, the Department may withhold full or partial payment to persons to whom the Department of Health has issued a conditional license, abatement order, warning letter, or other notice of violation. Likewise, the Department may withhold full or partial payment to persons who have received notices from other government agencies that indicate that the person has violated a law or rule. Once the Department is satisfied that the person is complying with the law, the Department will begin or resume payments at the agreed-upon rate for lodging provided after the violation ended. The Department may provide all, some, or none of the payments withheld based on the nature and extent of the legal violations and the effects those violations had on emergency housing assistance recipients.

Action to be taken by ESD

Notice of Vermont Department of Health Violations

- When ESD becomes aware that the Vermont Department of Health issues a conditional license, abatement order, warning letter, or other notice of violation, ESD will issue a letter to the hotel notifying them that new placements will be suspended.
 - If issues identified by VDH are not resolved in a timely manner, as determined by VDH/ESD on a case-by-case basis, ESD will send a follow-up letter to the hotel and may begin withholding the weekly payments to the hotel until the issues are resolved.

Notice of Violations from other Government Agencies or Municipalities

- When ESD receives notice from other government agencies or municipalities that indicate a motel/hotel has violated a law or a rule, ESD can take the following action:
 - Suspend new placements to the hotel
 - Remove clients from the hotel and stop using the hotel
 - Withhold weekly payments
 - Example—EPA violation could result in client's being immediately moved out of the hotel and ESD no longer using the hotel.

Other Client Concerns

- When ESD becomes aware of other client concerns, such as discrimination complaints, complaints of clients being moved by the hotel to a hotel other than the hotel on the authorization, rooms being utilized by an individual other than the one the authorization was issued to, ESD can take the following action:
 - Suspend new placements to the hotel
 - Remove clients from the hotel and stop using the hotel
 - Withhold weekly payments
 - Examples—

Withholding Amount

- ESD will determine the withholding amount on a case-by-case basis based on the severity of the violation, number of rooms impacted, and other relevant factors.
 - Example, a fire safety violation in one room could impact all rooms in the hotel.