

**HOTELS CONCESSION (CASTLE HARBOUR
REDEVELOPMENT) ORDER 2000**

BR 82/2000

HOTELS CONCESSION ACT 2000

2000: 28

**HOTELS CONCESSION (CASTLE HARBOUR
REDEVELOPMENT) ORDER 2000**

Whereas on 2 August 2000 Bermuda Properties Limited applied for a hotel concessions order under section 3 of the Hotels Concessions Act 2000 in respect of the Castle Harbour Hotel and Resort Redevelopment ;

Whereas the Minister of Tourism, having considered the application, is satisfied that the hotel development is in the national economic interest of Bermuda;

The Minister of Tourism, with the agreement of the Minister of Finance, in exercise of the powers conferred upon him by section 4 of the Hotels Concession Act 2000, makes the following order:—

Citation and commencement

1 This Order may be cited as the Hotels Concession (Castle Harbour Redevelopment) Order 2000 and shall come into operation on such date as the Minister may appoint by notice published in the Gazette.

Interpretation

2 In this Order—

"the Act" means the Hotels Concession Act 2000;

HOTELS CONCESSION (CASTLE HARBOUR REDEVELOPMENT) ORDER 2000

"the concessions" means the concessions mentioned in paragraphs 3(1)(a) to (f);

"hotel developer" means Bermuda Properties Ltd., a company incorporated by Act of the Legislature or such other company as the Minister may approve, or subsidiaries of such companies;

"interval club" means a members club—

- (a) which has organized land it owns in Bermuda into a condominium;
- (b) each unit of which is held in undivided shares by not less than four members of the club as tenants in common; and
- (c) the members of which have a right, under the terms of an agreement binding all club members, to occupy designated units of the condominium;

"planning permission" means planning permission granted under the Development and Planning Act 1974;

"the resort" means the Castle Harbour Hotel and Resort Redevelopment described in the hotel developer's application submitted under section 3 of the Act, and all its facilities, comprising the following parts—

- (a) an hotel, consisting of at least 100 guest suites;
- (b) residential units, as defined in the Act;
- (c) a spa and health club;
- (d) a recreational club; and
- (e) a golf course.

[Article 2 "interval club" and "resort" amended by BR 29/2006 effective 28 April 2006]

Concessions

3 (1) Subject to paragraph 4, the hotel developer shall in respect of the resort be entitled to the following concessions —

- (a) full relief from customs duty otherwise payable in respect of building materials necessary for the building of the resort which are imported into Bermuda for a period beginning with the commencement of this Order and ending 12 months from the opening date of each part of the resort;

**HOTELS CONCESSION (CASTLE HARBOUR
REDEVELOPMENT) ORDER 2000**

- (b) full exemption from land tax otherwise payable in respect of the resort (including such existing buildings and other premises as are within the boundaries of the proposed development) for a period beginning with the commencement of this Order and ending —
 - (i) in the case of the hotel part of the resort, on its opening date;
 - (ii) in the case of the other parts of the resort, on such date as such other part is capable of beneficial occupation within the meaning of the Land Valuation and Tax Act 1967;
- (c) 50% exemption from hotel occupancy tax payable in respect of the hotel part and the residential units part of the resort for a period of five years from their respective opening dates;
- (d)
 - (i) full exemption from the employer's share of the payroll tax otherwise payable with respect to persons employed by the resort, for a period commencing from the date of the grant of planning permission for the hotel part of the resort and ending three years from the hotel's opening date;
 - (ii) deferral of the employer's share of the payroll tax payable with respect to persons employed by the resort for a period of two years thereafter;
- (e) 70% relief from customs import duty payable on alcohol purchased by the resort and sold to, and consumed by, guests of the resort on the resort premises for a period of five years from the opening date of the hotel part of the resort; and
- (f) reduction in the rate of the licence fee payable under section 83 of the Bermuda Immigration and Protection Act 1956 ("the 1956 Act") in relation to the first disposition of any residential unit that forms part of the interval club, to the rate applicable to the timesharing occupancy tax prescribed in section 11 of the Miscellaneous Taxes (Rates) Act 1980.

(2) For the purposes of subparagraph (1)(d), the employer's share of payroll tax means that portion of payroll tax which the employer is not entitled to deduct from an employee's wages under section 19 of the Payroll Taxes Act 1995.

**HOTELS CONCESSION (CASTLE HARBOUR
REDEVELOPMENT) ORDER 2000**

Terms and conditions

4 (1) It shall be a condition of the exemption from customs duty and land tax under paragraphs 3(1)(a) and (b) that—

- (a) the hotel developer shall within a period of three months (or such later time as the Minister may approve) from the date of the grant of planning permission for the hotel part of the resort diligently proceed with its construction;
- (b) the hotel developer shall use its best endeavours to ensure that the construction of the hotel part of the resort will be completed and the hotel will open by 1 June 2003, or such later date as the Minister may approve.

(2) It shall be a condition of the exemption from payroll tax under paragraph 3(1)(d)(i) that sums equivalent to the amount which, but for that paragraph is due and payable, are used by the hotel developer to provide suitable training for Bermudian employees of the resort during the period of five years beginning one year before the opening date of the hotel part of the resort; and for the purposes of this subparagraph it shall be for the hotel developer to prove to the satisfaction of the Minister—

- (a) that suitable training has in fact been so provided; and
- (b) the cost of providing such training.

(3) It shall be a condition of the deferral of the payroll tax under paragraph 3(1)(d)(ii) that the hotel developer shall repay to government those amounts in twenty equal quarterly instalments, and shall make the first payment on the fifth anniversary of the opening date of the hotel part of the resort.

(4) It shall be a condition of the relief from customs import duty on alcohol under paragraph 3(1)(e) that sums equivalent to the amount, which, but for that paragraph, are otherwise due and payable, are used to provide suitable entertainment in the resort by Bermudian entertainers for so long as the relief is being claimed; and for the purposes of this subparagraph it shall be for the hotel developer to prove to the satisfaction of the Minister—

- (a) that suitable entertainment by Bermudian entertainers has in fact been so provided; and
- (b) the cost of providing such entertainment.

**HOTELS CONCESSION (CASTLE HARBOUR
REDEVELOPMENT) ORDER 2000**

Made this 17th day of November, 2000

Minister of Tourism

[Amended by:

BR 39/2006]