

HOTELS CONCESSION (COCO REEF RESORT) ORDER 2008

BR 42/2008

HOTELS CONCESSION ACT 2000

2000 : 28

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WHEREAS Coco Reef Resorts Limited has by application dated 6 October 2003 applied for a Hotels Concession Order under section 3 of the Hotels Concession Act 2000 in respect of the Coco Reef Resort redevelopment;

WHEREAS the Minister responsible for Tourism, having considered the application, is satisfied that the hotel redevelopment is in the national economic interest of Bermuda;

The Minister responsible for Tourism, in exercise of the powers conferred by section 4 of the Hotels Concession Act 2000, makes the following order:

Citation

1 This Order may be cited as the Hotels Concession (Coco Reef Resort) Order 2008.

Interpretation

2 In this Order—

"Act" means the Hotels Concession Act 2000;

"hotel" means the Coco Reef Resort as developed by the hotel developer;

"hotel developer" means Coco Reef Resorts Limited, a company incorporated in Bermuda on 28 February 2003;

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"hotel redevelopment" means the Coco Reef Resort redevelopment described in the hotel developer's application submitted under section 3 of the Act and includes qualifying units;

"opening date" means the date on which the hotel redevelopment is certified by the Minister to be complete;

"qualifying unit" means a unit which is leased back to the hotel for tourist accommodation for at least six months of the year for five consecutive years.

Concessions

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

- (a) for a period beginning with the opening date and ending on the fifth anniversary of that date, exemption from land tax otherwise payable in respect of the hotel, up to an amount not exceeding \$9,800 in each year of assessment;
- (b) for a period beginning with the opening date and ending on the third anniversary of that date, exemption from hotel occupancy tax otherwise payable in respect of the hotel to an amount equal to the sums expended by the hotel developer on marketing the new capital developments of the hotel up to an amount not exceeding \$130,700 in each year of assessment;
- (c) for a period beginning with the opening date and ending on the fifth anniversary of that date, exemption from hotel occupancy tax otherwise payable in respect of the hotel to an amount equal to fifty per cent of the sums expended by the hotel on entertainment provided by Bermudian entertainers, up to an amount not exceeding \$18,750 in each year of assessment;
- (d) for a period beginning with the opening date and ending on the fifth anniversary of that date, exemption from the employer's share of the payroll tax otherwise payable in respect of persons employed by the hotel, of an amount equal to 100 per cent of the sums expended by the hotel on training Bermudian employees of the hotel, up to an amount not exceeding \$7,300 in each year of assessment; and
- (e) reduction by one third of the land-holding charge otherwise payable under section 96(2) of the Bermuda Immigration and Protection Act 1956 in respect of the first disposition of each qualifying unit.

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(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 Tax Act 1995.

Terms and conditions

4 (1) To qualify for the exemption from hotel occupancy tax under paragraph 3(1)(b) the hotel developer must, for the relevant period—

- (a) show to the satisfaction of the Minister that sums equal to the amount of the exemption claimed have been expended by the hotel developer on the marketing of the hotel;
- (b) comply with guidelines on the marketing of the hotel issued by the Minister; and
- (c) provide an annual audited statement of account showing the amounts expended on such marketing.

(2) To qualify for the exemption from hotel occupancy tax under paragraph 3(1)(c), the hotel developer shall, for the relevant period—

- (a) show to the satisfaction of the Minister that entertainment has been provided at the hotel by Bermudian entertainers in accordance with guidelines issued by the Minister; and
- (b) provide an annual audited statement of accounts showing the amounts expended on the entertainment.

(3) To qualify for the exemption from payroll tax under paragraph 3(1)(d), the hotel developer must, for the relevant period—

- (a) comply with guidelines on the training of Bermudian employees issued by the Minister;
- (b) satisfy the Minister that appropriate training has been provided in accordance with the guidelines; and
- (c) provide an annual audited statement of account showing the amounts expended on such training.

(4) To qualify for the reduction of the land-holding charge under paragraph 3(1)(e), the hotel developer must show to the satisfaction of the Minister that each unit is a qualifying unit.

(5) In this paragraph, "relevant period" means the period for which the exemption is claimed.

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Made this 27th day of June 2008

Premier

Agreed by:

Minister of Finance