

**HOTELS CONCESSION (CAMBRIDGE BEACHES) ORDER 2008**

**BR 45/2008**

**HOTELS CONCESSION ACT 2000**

**2000 : 28**

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WHEREAS Cambridge Beaches has by application dated 11 December 2006 applied for a Hotels Concession Order under section 3 of the Hotels Concession Act 2000 in respect of the Cambridge Beaches 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 (Cambridge Beaches) Order 2008.

**Interpretation**

2 In this Order—

"Act" means the Hotels Concession Act 2000;

"hotel" means the Cambridge Beaches as developed by the hotel developer;

"hotel developer" means The Frascati Hotel Co. Ltd., a company incorporated in Bermuda on 8 May 1929;

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"hotel redevelopment" means the Cambridge Beaches redevelopment described in the hotel developer's application submitted under section 3 of the Act;

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

### **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 third anniversary of that date, exemption from land tax otherwise payable in respect of the hotel, up to an amount not exceeding \$55,970 in each year of assessment;
- (b) for a period beginning with the opening date and ending on the first 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 hotel redevelopment up to an amount not exceeding \$126,800 in each year of assessment;
- (c) for a period beginning with the opening date and ending on the first 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 \$74,500 in each year of assessment;
- (d) for a period beginning with the opening date and ending on the third 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% of the sums expended by the hotel on training Bermudian employees of the hotel, up to an amount not exceeding \$46,225 in each year of assessment; and

(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—

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- (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 accounts 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 must, 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 accounts showing the amounts expended on such training.
- (4) In this paragraph, "relevant period" means the period for which the exemption is claimed.

Made this 11<sup>th</sup> day of July 2008

Premier

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Agreed by:

Minister of Finance