

**“GRANNY-FLAT” AMENDMENT**

**H.W. “Bill” Suber, CFA, ASA**

**Seminole County Property Appraiser**



H. W. "BILL" SUBER, CFA, ASA  
SEMINOLE COUNTY PROPERTY APPRAISER

## Overview of the Reduction in Assessment for Living Quarters of Parents or Grandparents Legislation (Granny Flats Bill)

October 14, 2003

SEMINOLE COUNTY  
FLORIDA

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**This legislation is the result of an amendment to Article VII of the Florida Constitution that was approved by the voters in November 2002. In Seminole County the measure was approved by 65 per cent. The implementing legislation was enacted by the Florida Legislature during the 2002 Session and became effective simultaneously with the constitutional amendment.**

**Under the provisions of the statute the Board of County Commissioners may adopt an ordinance to provide for a reduction in the assessed value of homestead property meeting certain criteria.**

**If the commission adopts an ordinance it is binding upon all taxing authorities that levy taxes within the county.**

**There are criteria that must be met before a property owner is eligible to receive this exemption.**

**Only construction or reconstruction that has been substantially completed after January 7, 2003 can be considered for this exemption.**

**The reduction in value cannot exceed (20%) of the assessed value of the property prior to the assessment reduction being taken.**

**The reduced amount shall be placed on the roll after a change in ownership, when the property is no longer homesteaded, or when the parent or grandparent discontinues residing on the property.**

**We do not know how many potential properties might qualify for this exemption however we do not believe the number to be very high. As a result we do not believe the administration of the law will be too difficult. Having said that we recognize that there is no provision for notifying this office when a property no longer qualifies for the reduction. As a result we will be required to either visit each property annually or otherwise determine if the property continues to be entitled to the reduction.**

**If we view the law from the standpoint of equity we believe there may be an issue because anyone who constructed or reconstructed property prior to January 7, 2003 for a parent or grandparent will not be able to qualify for the value reduction.**

**We will certainly abide by the wishes of the commission if it is your desire to adopt this ordinance.**

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STATE OF FLORIDA  
DEPARTMENT OF REVENUE  
CHAPTER 12D-8, FLORIDA ADMINISTRATIVE CODE  
ASSESSMENT ROLL PREPARATION AND APPROVAL  
CREATING RULE 12D-8.0068  
AMENDING RULE 12D-8.011

12D-8.0068 Reduction in Assessment for Living Quarters of Parents or Grandparents.

(1)(a) In accordance with s. 193.703, F.S. and s. 4(e), Art. VII of the State Constitution, the board of county commissioners of any county may adopt an ordinance to provide for a reduction in the assessed value of homestead property equal to any increase in assessed value of the property which results from the construction or reconstruction of the property for the purpose of providing living quarters for one or more natural or adoptive parents or grandparents of the owner of the property or of the owner's spouse if at least one of the parents or grandparents for whom the living quarters are provided is at least 62 years of age. The board of county commissioners shall deliver a copy of any ordinance adopted under section 193.703, F.S. to the property appraiser.

(b) The reduction in assessed value resulting from an ordinance adopted pursuant to section 193.703, F.S. shall be applicable to the property tax levies of all taxing authorities levying tax within the county.

(2) A reduction may be granted under subsection (1) only to the owner of homestead property where the construction or reconstruction is consistent with local land development regulations, including, where applicable, proper application for a building permit.

(3) In order to qualify for the assessment reduction pursuant to this section, property must meet the following requirements:

(a) The construction or reconstruction for which the assessment reduction is granted must have been substantially completed on or before the January 1 on which the assessment reduction for that property will first be applied.

(b) The property to which the assessment reduction applies must qualify for a homestead exemption at the time the construction or reconstruction is substantially complete and each year thereafter.

(c) The qualified parent or grandparent must permanently reside on the property on January 1 of the year the assessment reduction first applies and each year thereafter.

(d) The construction or reconstruction must have been substantially completed after January 7, 2003, the effective date of section 193.703, F.S.

(4) The term "qualified parent or grandparent" means the parent or grandparent residing in the living quarters, as their primary residence, constructed or reconstructed on property qualifying for assessment reduction pursuant to section 193.703, F.S. on January 1 of the year the assessment reduction first applies and each year thereafter. Such parent or grandparent must be the natural or adoptive parent or grandparent of the owner, or the owner's spouse, of the homestead property on which the construction or reconstruction occurred. Primary residence shall mean that the parent or grandparent does not claim a homestead exemption elsewhere in Florida. Such parent or grandparent cannot qualify as a permanent resident for purposes of being

granted a homestead exemption or tax credit on any other property, whether in Florida or in another state. If such parent or grandparent receives or claims the benefit of an ad valorem tax exemption or a tax credit elsewhere in Florida or in another state where permanent residency is required as a basis for the granting of that ad valorem tax exemption or tax credit, such parent or grandparent is not a qualified parent or grandparent under this subsection, the owner is not entitled to the reduction for living quarters provided by this section. At least one qualifying parent or grandparent must be at least 62 years of age. In determining that the parent or grandparent is the natural or adoptive parent or grandparent of the owner or the owner's spouse and that the age requirements are met, the property appraiser shall rely on an application by the property owner and such other information as the property appraiser determines is relevant.

(5) Construction or reconstruction qualifying as providing living quarters pursuant to this section is limited to additions and renovations made for the purpose of allowing qualified parents or grandparents to permanently reside on the property. Such additions or renovations may include the construction of a separate building on the same parcel or may be an addition to or renovation of the existing structure. Construction or reconstruction shall be considered as being for the purpose of providing living quarters for parents or grandparents if it is directly related to providing the amenities necessary for the parent or grandparent to reside on the same property with their child or grandchild. In making this determination, the property appraiser shall rely on an application by the property owner and such other information as the property appraiser determines is relevant.

(6)(a) On the first January 1 on which the construction or reconstruction qualifying as providing living quarters pursuant to this section is substantially complete, the property appraiser shall determine the increase in the just value of the property due to such construction or

reconstruction. For that year and each year thereafter in which the property qualifies for the assessment reduction pursuant to this section, assessed value calculated pursuant to section 193.155, F.S. shall be reduced by the amount so determined. In no year may the assessment reduction, inclusive and aggregate of all qualifying parents or grandparents, exceed twenty percent of the assessed value of the property prior to the assessment reduction being taken. If in any year the reduction as calculated pursuant to this subsection exceeds twenty percent of assessed value, the reduction shall be reduced to equal twenty percent.

(b) For those joint tenants that reside on the property and receive the homestead exemption, the exempt amount under (6)(a) shall not exceed the total of the assessed value of their interests.

(7) Further construction or reconstruction to the same property meeting the requirements of subsection (5) for the qualified parent or grandparent residing primarily on the property may also receive an assessment reduction pursuant to this section. Construction or reconstruction meeting the requirements of this section for another qualified parent or grandparent of the owner or the owner's spouse may also receive an assessment reduction. The assessment reduction for such construction or reconstruction shall be calculated pursuant to this section for the first January 1 after such construction or reconstruction is substantially complete. However, in no year may the total of all applicable assessment reductions pursuant to this section exceed twenty percent of the assessed value of the property. However, in no year may the total of all applicable assessment reductions pursuant to this section exceed twenty percent of the assessed value of the property.

(8) The assessment reduction pursuant to this section shall apply only while the qualified parent or grandparent for whom living quarters were constructed or reconstructed continue to reside primarily on the property and all other requirements of this section are met. The provisions of subsections (1), (5), (6), (7), and (8) of s. 196.011 governing applications for exemption are

applicable to the granting of an assessment reduction pursuant to this section. The property owner must renew the assessment reduction annually.

(9) The amount of the assessment reduction under section 193.703, F.S. for living quarters constructed for parents or grand parents, shall be placed on the roll after a change in ownership, when the property is no longer homestead, or when the parent or grand parent discontinues residing on the property.

Specific Authority 195.027(1), 213.06(1) FS. Law Implemented 193.703, 196.011, 213.05 FS.

History-New \_\_\_\_\_.



**THE FLORIDA SENATE**  
**COMMITTEE ON FINANCE AND TAXATION**

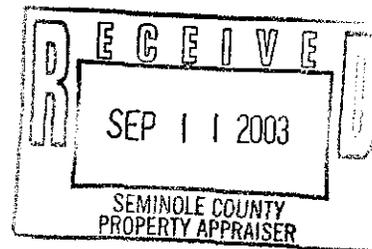
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Alan Johansen, *Staff Director*

Senate's Website: [www.flsenate.gov](http://www.flsenate.gov)



September 9, 2003

Honorable H. W. Suber, CFA, ASA  
Seminole County Property Appraiser  
1101 E. 1st St., Rm. 1201  
Sanford, FL 32771-1468

Dear Mr. <sup>Bill</sup>Suber:

The Florida Senate Committee on Finance and Taxation's Interim Project 2004-136, *Administration of Art. VII, Sec. 4(e), Florida Constitution: Reduced Assessment of Living Quarters Constructed or Reconstructed for Parents or Grandparents*, directs the committee to draft proposed legislation to clarify administration of this amendment. If you have identified any potential problem in implementing this amendment that is not addressed in the Department of Revenue's proposed rule 12D-8.0068 please write or e-mail me and describe the problem and your proposed solution, if any.

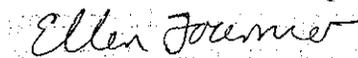
Thank you for your assistance in this project. Please send your responses to:

[ellen.fournier@laspbs.state.fl.us](mailto:ellen.fournier@laspbs.state.fl.us)

or

Ellen Fournier, Chief Legislative Analyst  
Florida Senate Committee on Finance and Taxation  
Suite 207, The Capitol  
404 South Monroe Street  
Tallahassee, FL 32399-1100

Sincerely,

  
Ellen Fournier