

Reduction in Assessment for Living Quarters of Parents or Grandparents

Indian River County adopted an ordinance approving this exemption, commonly called the "Granny Flat, or Mother-in-Law Suite," exemption.

Who is Eligible?

This exemption provides 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 the parents or grandparents of the owner's spouse. In any case at least one parent or grandparent, for whom the living quarters are provided, must be at least 62 years of age.

This state provision was adopted by the Indian River County Board of County Commissioners and has been in effect since August 29, 2005.

- A reduction may be granted only to the owner of homestead property where the construction or reconstruction is consistent with local land development regulations, including proper application for a building permit (where applicable).
- Construction or reconstruction started or completed before August 29, 2005 will NOT be eligible.
- Construction or reconstruction must have been substantially completed on or before the January 1 on which the assessment reduction for that property will first be applied.
- The property to which the assessment reduction applied must qualify for a homestead exemption at the time the construction or reconstruction is substantially complete, and each year thereafter.
- Living quarters must be added to an existing homestead property. Living quarters built at the same time your new home is built will not qualify.
- This exemption is NOT automatically renewed. Applicants must request renewal each year.

The qualified parent or grandparent must permanently reside on the property on January 1 of the year the assessment reduction is first applied, and each year thereafter. The value excluded may not exceed the lesser of the following:

1. The increase in assessed value resulting from construction or reconstruction of the property;
- or
2. Twenty percent of the total assessed value of the property as improved.

If the owner of the homestead property for which such a reduction in assessed value has been granted is found to have made any willfully false statement in the application for the reduction, the reduction shall be revoked, the owner is subject to a civil penalty of not more than \$1,000 and the owner shall be disqualified from receiving any such reduction for a period of 5 years.

When the property owner no longer qualifies for the reduction in assessed value for living quarters of parents or grandparents, the previously excluded just value of such improvements shall be added back to the assessed value of the property.

What you will need to provide:

- Validation of the construction or reconstruction costs for the addition.
- The parent, or grandparent, must sign the application affirming their occupancy and permanent residency.

Information provided on this page is a synopsis and should serve as a guideline offered to assist the general public. For detailed information please refer to the Florida Constitution (applicable Amendments) and the Florida State Statutes.