



Commercial Property Tax Reform Can Advance the Social Determinants of Health in California

Why Public Health Advocates and Providers Support the Make It Fair Proposal

As health professionals, we know that many factors can improve or harm the health of communities — but we want to do more than *explain* social determinants and health equity, we want to *improve* them. We now have an opportunity to improve social determinants across many sectors at once via a **single** policy decision: closing the commercial property tax loophole created by Proposition 13.

Make It Fair is a proposal for a constitutional amendment to close California's up to \$11 billion commercial property tax loophole. It would tax under-valued commercial properties at their actual value, creating a level playing field among businesses and ending the unfair advantage given to big corporations. It does not touch the residential guarantees included in Prop 13.

Through this proposal, we can correct our tax and budget system to generate up to \$11 billion each year for local California school districts, cities, and counties. These resources would benefit the health of communities made vulnerable through years of disinvestment.

Examples of How the Make It Fair Proposal Benefits Community Health

► Kids with the greatest educational needs could receive crucial services.

Before Prop 13 was passed, California's public schools were ranked 7th in per pupil spending, and now we're ranked 42nd.¹ Restoring the funding will propel us forward giving students and teachers the resources to succeed. Better-educated individuals live longer, healthier lives than those with less education, and their children are more likely to thrive.²

► New affordable housing units could be built for low- and moderate-income families.

The housing crisis in California is severe and threatening families' health — to meet projected growth, about 180,000 new housing units need to be constructed each year. Currently, the state is averaging less than 80,000 new units annually.³ Access to affordable housing frees up families' resources to meet other basic needs, including nutrition and health care.⁴

What is Prop 13?

Proposition 13 is a constitutional amendment that passed in 1978 and made significant changes to how and when property is taxed. Prop 13 intended to help protect homeowners from rapidly rising property taxes that many could not afford. But hidden in Prop 13's fine print was a huge loophole. Many big corporations and wealthy commercial property owners have used the law to avoid paying taxes on the actual value of their property. This practice has decimated a longstanding funding source for programs and policies that keep our communities healthy. Many of the health inequities our state suffers from now can be traced back to Prop 13.

Visit HumanImpact.org/MakItFairCA to learn more about the ways we can advance health equity in California through commercial property tax reform.

► **More California residents could get affordable health coverage and care.**

In 2016, nearly 3 million Californians were uninsured, many due to exorbitant costs and lack of citizenship.⁵ Access to comprehensive, quality health care services is essential for promoting health, preventing and managing disease, reducing unnecessary disability and premature death, and achieving health equity.⁶

► **Public transportation systems could extend service and reduce emissions.**

California ranks 40th in the quality of state transportation infrastructure and our projected population growth will only increase the strain on our deteriorating transit systems.⁷ Investments in transit are associated with more physical activity, as well as lower rates of traffic injury, air pollution, and greenhouse gas emissions.⁸

We know all these social determinants drive health, and rarely have we had an opportunity to do so much for the health of so many in California. Let's come together as a public health community and advocate for commercial property tax reform. Join the movement to make it fair at MakeitFairCA.com.

References

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