

# = NO<sup>ON</sup> 27 =

## Is Online Gambling *really* a “Solution” to Homelessness?

**Background:** Out-of-state gambling corporations are funding a deceptive measure for the November 2022 ballot that would legalize online and mobile sports gambling in California—turning virtually every cell phone, tablet, laptop and even video game console into a gambling device. Proponents are cleverly marketing **Prop 27** as a “solution” to homelessness, but it’s simply bad public policy to fund homeless programs by legalizing a massive expansion of online gambling that will only lead to more addiction, financial ruin and homelessness.

### Online Gambling Would Hurt the Most Vulnerable & Make the Homelessness Crisis Even Worse

- » The [National Council on Problem Gambling](#) found that **online sports gamblers are up to 5X more likely to develop problem gambling** than other types of gamblers.
- » Many [experts](#), including from the [UCLA Gambling Studies Program](#), cite gambling addiction as a significant factor that contributes to **becoming homeless** and **maintaining a cycle of homelessness**.
- » In fact, research from the [Journal of Gambling Studies](#) found that **unhoused people are 10X more likely to be problem gamblers** than the rest of the population.

### Online Gambling Corporations Have a Track-Record of Over-Promising and Under-Delivering

- » **Prop 27** includes a **major loophole** that **sends up to 90% of profits into the pockets of out-of-state gambling corporations**.
- » Under this measure, online gambling corporations would be taxed 10% on their **“adjusted gross online sports betting receipts.”**
  - » This loophole allows online gambling corporations to write off **unlimited deductions** for incentives used to **lure more people into online gambling**—including free bets and promos.
- » In fact, **online gambling corporations have used the same loophole in other states to maximize their profits, while shrinking the taxes paid back into the states they operate.**
  - » In Colorado, online gambling corporations used this loophole to **deduct a whopping 62% from their online sports betting profits**—forcing the state legislature to allocate taxpayer funds to make up for revenue shortfalls.
  - » In Virginia, online gambling corporations **deducted 54% from their online sports betting profits—delivering just half of the forecasted tax revenue.**
- » The *National Conference of State Legislatures* warned, **“states looking to close budget gaps with sports betting revenue may be disappointed.”**

## **Out-of-State, Online Gambling Corporations Deceive Voters to Push their Agenda**

- » Online gambling corporations have a **notorious track record** of **deceptively marketing online gambling as a “solution” to a variety of crises** across the nation and **failing to deliver results**.
  - » In Colorado, online gambling corporations deceptively promoted the “**Colorado Water Wins**” campaign to fund water storage by legalizing online sports betting.
  - » In Florida, online gambling corporations deceptively promoted the “**Florida Education Champions**” campaign to fund education by legalizing online sports betting.
- » **Just like the false promises of the State Lottery**, the so-called “California Solutions to Homelessness and Mental Health Support Act” is a **deceptive scheme intended to hide the real intent of the measure—to legalize online gambling**.

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**Prop 27 is opposed by a broad coalition of civil rights, public safety, business and faith leaders, advocates for the homeless and over 50 California Indian tribes. To learn more and join our growing coalition, please visit [NoProp27.com](http://NoProp27.com).**

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