



P E N N S Y L V A N I A

Family Council

Protect the Family. Preserve the Future.™

Hon. Ladies and Gentlemen of the General Assembly:

Pennsylvania Family Council respectfully urges you to reconsider expanding legalized gambling as a “budget solution” as contained in House Bill 271 and related amendments. It’s bad social policy and bad fiscal policy.

Expanding legalized gambling in Pennsylvania is bad public policy.

HB 271 enables government to profit off of the impulsive pull of online gambling, fantasy sports games betting, video gambling at liquor establishments and online lottery ticket sales — by bringing state-sponsored gambling to every household, *while ignoring the risk* to individuals and their families across our Commonwealth.

HB 271 would greatly expand government-sponsored and government-promoted gambling beyond the brick-and-mortar casino locations.

We understand that the attraction for expanding gambling is not for the betterment of its citizens, but rather a way for legislators to avoid backlash for raising taxes, effectively making gambling itself a masqueraded tax.

We understand that the attraction for expanding gambling is not for the betterment of its citizens, but rather a way for legislators to avoid backlash for raising taxes, effectively making gambling itself a masqueraded tax. In fact, HB 271 states, “legalized gaming was seen as a means to provide sources of revenue for property and wage tax relief,” which in layman’s terms means gambling is a source of state revenue just like taxes. As such, this expansion in gambling will merely be another way for the state to tax its citizens.

There are only three states that have [legalized online gambling](#) (Nevada, New Jersey and Delaware) and only three states that [sell lottery tickets online](#) (Illinois, Georgia, Minnesota). The reasons to prevent such activities are numerous including regressive taxation, online concerns over youth and greater difficulty of regulation, and putting more Pennsylvanians at risk of negative

social behaviors potentially destructive to families, businesses and society.

Legalizing online, Internet gambling is bad public policy.

Online gaming preys on citizens most susceptible to losing money. Studies have shown that online gambling, specifically lotteries and casino gambling, exhibit higher rates of risky betting — because it attracts certain demographics partial to its unique aspects. Those unique aspects include ease of access, faster pace of games, and anonymity, where, as the *International Journal of Mental Health and Addiction* states, “demographic difference[s] between online and offline players has helped discover the existence of higher risk factors among online players.”

Online gambling would provide a gateway to expose children to gambling and its consequences. It is harder to regulate who has access to online gambling. With the proliferation of smart phones, tablets and other online devices, young people are more likely to have easy access to online gambling than physical gambling.

Legalizing online gambling would turn every home, mobile device, table and desktop into a mini-casino. As former U.S. Senator Blanche Lincoln observed, “Look around at your kids or anywhere teenagers are hanging out and you will see them glued to their portable phones — texting, playing games or using the latest hot app. Could your child access these games? Would they want to try it? Would they want to see what it's like to gamble, with your money?”

And consider that, sadly, the children and grandchildren of elected officials are not immune from the potential traps.

The Pennsylvania Gaming Control Board's own 2015-2016 [report](#) found that youth gambling can result in damaged credit scores and higher chances of gambling disorders later in life. Among the consequences of gambling for youth include:

- Interference with future employment and career prospects;
- College acceptance, student loans and grants;
- Negative credit record on the young person and, potentially, a parent when significant sums of money are lost on gambling;
- Greater risk of developing a gambling addiction disorder, anxiety or depression;
- Greater risk of developing other addictions, such as smoking, alcoholism, illegal drugs.

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Video gambling at liquor licensed establishments is bad public policy.

Mixing two highly addictive products — gambling and alcohol — and greatly expanding their access should be considered a predatory practice, not one encouraged and promoted by government. Allowing video gambling machines at thousands of neighborhood restaurants, bars, taverns and clubs would bring thousands of addictive machines into every community in Pennsylvania, all with the government's blessing.

Legalizing daily sports betting is bad public policy.

Daily sports fantasy has a higher likelihood of incurring losses for its participants. Just as online casinos engender greater losses for participants than physical casinos due to risky betting, online daily sports betting engenders greater losses than casinos. Gambling at a casino tends to sort out players by skill level, where online fantasy sports betting does not. At a casino, the best players tend to congregate

at tables with the “biggest buy-ins,” while new people go towards lower buy-in tables. Such division does not happen with daily fantasy sports. Instead a new person has a strong likelihood of being pitted against one of the top players and losing significantly. [One sample](#) showed one-percent of the players pay 40 percent of the entry fees, but take home 91 percent of the profits. As a result, the remaining 99 percent share nine percent of the profits.

Expanding the state lottery to online ticket sales is bad public policy.

Online lottery sales does a disservice to those who could least afford the losses.

One of the biggest concerns cited most frequently with lotteries is that they are a regressive tax on the poor. The regressive nature is revealed in the data showing that the poor spend a higher proportion of their incomes on lotteries. They spend twice as much as the rich and spend [10.8% of their incomes](#) as opposed to the rich who spend 0.7% of their incomes on lotteries.

Additionally, the lottery has worse odds than casino gambling with the state keeping 33 cents on the dollar and casinos keeping four percent of the take. Given that HB 271 is directed at expanding lotteries online in order to increase state revenue, HB 271 creates worse odds for poorer lottery participants.

Please consider that (1) Voters have not had the chance to study the full impact of these proposals, despite their immediate and long-term consequences; and (2) Few members of the Pennsylvania legislature campaigned on gambling expansion, yet HB 271 represents a major expansion in access to gambling.

We urge you to reconsider HB 271 and to reject any expansion of gambling in this year’s budget mix. Thank you.

Recent Pennsylvania newspaper editorials

Taxpayers: Pennsylvania lawmakers have a gambling problem.

<http://www.philly.com/philly/opinion/editorials/taxpayers-pennsylvania-lawmakers-have-a-gambling-problem-20170618.html>

Discusses how the bill is just a financial panacea and how make gambling policy based on financial needs.

<http://www.post-gazette.com/news/state/2017/04/19/Pa-House-eyes-gambling-expanded-wine-sales-as-financial-panacea/stories/201704190100>

Questions why state-run gambling is different than mob gambling? The action itself is no different, just who is in charge.

<http://triblive.com/opinion/letters/12356726-74/bucks-at-what-cost>

Legislators are putting the need for money above the health of their constituents.

<http://www.philly.com/philly/opinion/editorials/pennsylvanias-gambling-addiction-needs-intervention-20170603.html>

The bill is not what the people wanted, has vague language that does not show where money is going, and adds to gambling addiction.

http://www.pennlive.com/politics/index.ssf/2017/06/sweeping_gambling_bill_leaves.html