

## Is Esports Betting Sports Betting in Iowa?

Article By:

James G. Gatto

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Under Section 99E: a “**Fantasy sports contest**” includes any fantasy or simulated game or contest ...” and 99E.2 states: “The system of entering an internet fantasy sports contest as provided by this chapter is legal when conducted by a licensed internet fantasy sports contest service provider as provided in this chapter.”

Section 99F.3 states: “The system of wagering on a gambling game and **sports wagering** as provided by this chapter is legal, when conducted by a licensee as provided in this chapter.” Under Section 99F: “**Sports wagering**” means the acceptance of wagers on an authorized sporting event ...” an “**authorized sporting event**” means a professional sporting event, collegiate sporting event, international sporting event ... “**Professional sporting event**” means an event, excluding a minor league sporting event, at which two or more persons participate in sports or athletic events and receive compensation in excess of actual expenses for their participation in such event.

So where does esports fall within this legislative framework? Many people assume the esports is a sport. If that is the case, it would be logical to conclude that esports betting would fall under 99F and sports betting.

Recently, however, the Iowa AG’s office issued an opinion concluding that, under this Iowa law, the definition of sports betting is very specific and **doesn’t include esports**.

The opinion noted:

- wagering on sports contests (e.g., fantasy sports) and actual sports are governed in separate sections of the law (Sections 99e and 99f)
- esports is a simulated game or contest, which is covered under Section 99e
- esports is not a “sport or an authorized sporting event,” which is covered under Section 99f

Yet, 99F refers to a professional sporting event or collegiate sporting event. So, under this interpretation esports is not a professional or collegiate sport (at least in Iowa).

The opinion was issued in connection with proposals in front of the Iowa Racing and Gaming Commission (IRGC). A proposal to allow fantasy esports was approved by the IRGC. A request relating to esports betting was not moved forward in light of the AG opinion.

A number of other sports betting laws do not specifically address esports. Yet, many believe that these laws are broad enough to cover esports betting. This belief is based on the widely held assumption that esports is a sport. It is not clear what, if any, impact this decision will have on the interpretation of esports under other states laws. There are other states that include “simulated game or contest” in their statutes. Whether those laws may be interpreted differently remains to be seen.

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