

## Examining the federal government's control of Idaho's public lands

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### 5 FACTS

1. *The federal government manages more than two-thirds of Idaho's land – the 3<sup>rd</sup> highest of any state*
2. *To compensate, a federal program called "PILT" was created*
3. *Even under PILT, state management can produce higher revenue than the current system of federal management*
4. *Unfortunately, there is a distinct failure to manage and protect the land owned by the federal government*
5. *Idaho and its citizens would benefit if the federal government transferred some control to the states*

### Introduction

Federal land is defined as land that is owned by the United States federal government. The Property Clause in Article 4 Section 3 of the United States Constitution gives the federal government the right to manage and purchase land and regulate the activities that take place on that land.

The federal government owns approximately 640 million acres of federal land, which comprises about 28% of the 2.27 billion total acres of land in the United States.

The original, intended purpose of government-managed federal land is the "protection of forests and preservation of water flows while permitting some local timber use."<sup>1</sup>

Presently, all federal land is managed by five government agencies:

- (1) The Bureau of Land Management
- (2) The Forest Service
- (3) The Fish and Wildlife Service
- (4) The National Park Service
- (5) The Department of Defense

The federal government's land management has faced sometimes intense criticism from the general public. Some argue the federal management is ineffective, some say too much land is owned by the federal government, and some contend the land has economic benefits and should be returned to private citizens.

<sup>1</sup> Gorte, Ross. "The Original Purpose of Federal Lands." *Headwaters Economics*, Mar. 2020

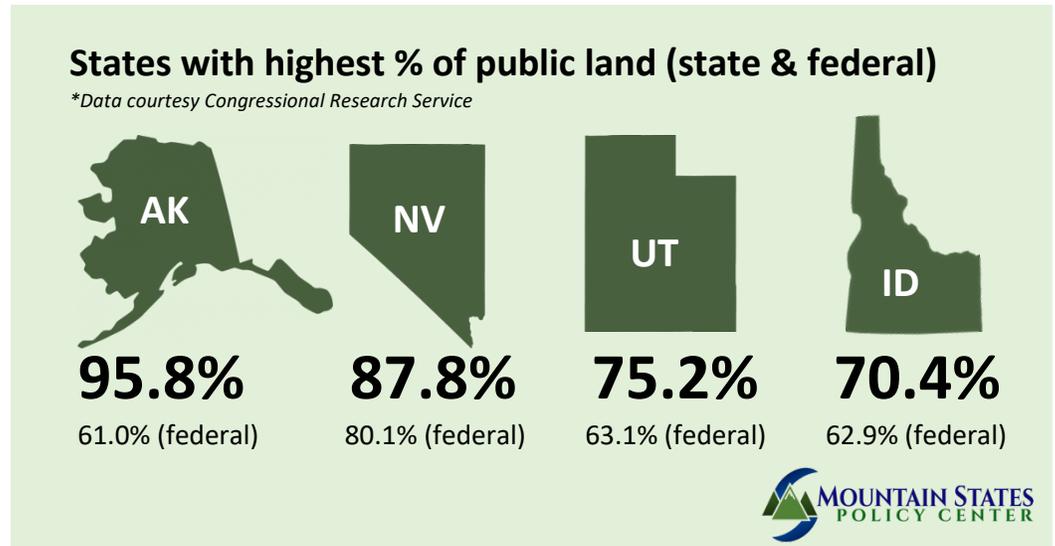
## KEY INFORMATION COLUMN

*There are 34.5 million acres of federally-owned land in Idaho – two-thirds of Idaho’s total land*

*With “PILT,” the federal government tries to reimburse for land that cannot be taxed*

## The control of land in Idaho

According to the Federal Lands Task Force, there are 34.5 million acres of federally owned land in Idaho - a state which is comprised of 53.5 million acres of total land.<sup>2</sup> This means that two-thirds of Idaho’s total land is managed by the federal government.



It’s important to note Idaho has the fourth largest amount of land owned/managed by either the state or the federal government – only Alaska, Nevada and Utah have higher amounts within their borders. This means Idahoans are among the Americans most likely to feel the impacts – both positive and negative – of government’s control over these large areas of land.

### Reviewing “PILT”

One way the federal government attempts to mitigate potential losses in profits that states with large amounts of federal land such as Idaho may experience is by compensating them with Payments in Lieu of Taxes, or “PILT.” Since federal land is owned by the government and cannot be taxed, PILTs are a way that the federal government attempts to aid citizens living near federal land by giving each county a payment which is calculated based on the number of acres owned by the federal government and the county’s population.

The PILT approach is not necessarily the most effective because it does not take into consideration the amount of federal land in each county when determining how much to pay.<sup>3</sup>

<sup>2</sup> Federal Lands Task Force. “Federal Lands Task Force.” *Department of Lands*, Idaho Department of Lands, 6 Jan. 2020

<sup>3</sup> Davlin, Melissa. “Counties with the Most Federal Lands Don’t Necessarily Get Highest per-Acre Pilt Payments.” *Idaho Reports*, 23 Sept. 2022

## KEY INFORMATION COLUMN

*Unfortunately, there is a distinct failure to manage and protect the land owned by the federal government*

*State land management is more financially beneficial than federally managed land*

Because several Idaho counties with the highest amount of federal land are also rural and have lower populations, the amount they received in PILT does not reflect the amount of untaxable federal land within their borders.

For example, Idaho's Custer County contains 2.9 million acres of federal land, meaning 90 percent of the county's land is owned by the federal government. However, because its population is small, it received only 29 cents for each acre of federally owned land. Meanwhile, Idaho's most populous counties all received a minimum of \$2.60 per acre of federal land.

This system leaves rural Idaho counties struggling to provide public goods and services since they are unable to tax such a large portion of their territory, and the federal government fails to assist them in bridging that gap.

### **Is federal land managed effectively?**

Another common criticism of the federal government's land ownership is that federal land is often managed ineffectively. The Bureau of Land Management has set a series of land-health standards which measure biological conditions on federal lands such as soil health, water quality, and the protection of endangered species. These standards must be maintained in order for the use of these federal lands to be sustainable. However, the Public Employees for Environmental Responsibility (PEER) conducted a study on 21,000 allotments of federal land across several states and found that in Idaho, 78% of assessed allotments failed to meet the Bureau of Land Management's health standards.<sup>4</sup>

These mismanaged areas were most commonly found in cold desert ecoregions and researchers there observed extreme temperature swings and a lack of moisture. PEER determined that the primary cause of this damage was livestock grazing on federal land.

This sharp decline in land health is detrimental to the plants and animals that live within these territories and demonstrates a distinct failure on the part of the federal government to effectively manage and protect this land.

### **Transfer ownership of federal land to the states?**

Finally, critics of federal land management argue that transferring ownership of federal land to the states would result in significant financial benefits.

In states such as Idaho, where agriculture is a major industry producing \$8.9 billion in revenue last year<sup>5</sup> and where the federal government owns two-thirds of the total land, concerns are raised about the large amounts of revenue that Idahoans lose, even though the federal government attempts to mitigate these potential losses through measures such as PILTs.

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<sup>4</sup> Mohr, Kylie. "There Are Millions of Acres of 'Failing' Rangelands, Data Shows." *High Country News – Know the West*, 14 Mar. 2022

<sup>5</sup> Ellis, Sean. "Economist: Idaho Agriculture Is Big and Growing." *Idaho Farm Bureau*, 11 Jan. 2022

## KEY INFORMATION COLUMN

*State management can produce higher revenue than the current system of federal management*

The Property and Environment Research Center (PERC) looked at the financial returns produced by federally-owned land,<sup>6</sup> as well as state-owned land in four western states including Idaho, and found that these four states earned an average revenue of \$14.51 for every dollar spent on state land management.

This is in sharp contrast to the average of 73 cents earned for each dollar spent on federal land management – a whopping 95% *lower*.

The study also compared the management of timber, grazing, minerals, and recreation by both state and federal governments and determined that state management of these industries can produce significantly higher revenue than the current system of federal management, which would greatly assist local economies.

### Conclusion

Idaho is the state with the fourth-highest amount of federal land - nearly 34.5 million acres of territory in Idaho is federally owned and managed. This presents Idahoans with a unique set of questions - is the federal government managing this land effectively? How much revenue are Idahoans missing out on as a result of the federal government's large role? Is the federal government taking effective steps to mitigate those potential losses?

There is significant evidence to suggest that these concerns are valid and that states including Idaho would only benefit if the federal government transferred some of this land to state control.

**Nothing in this publication shall be construed as an attempt to aid or hinder the passage of any legislation.**

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<sup>6</sup> Fretwell, Holly, and Shawn Regan. "Divided Lands: State vs. Federal Management in the West." *PERC*, 9 Feb. 2018