



Impacts of Public Lands

What is the economic impact of publicly held land on local communities?

Publicly held land serves several different purposes.

About 93% of land in MO is privately held (Van Dien 2022). 3.8% is owned by the federal government (Table 1), and 3.2% is owned by state, county, or municipal governments (Vincent 2020). Comprehensive descriptions of the types of land (e.g., size, features, use) that state, counties, and municipalities own are not publicly available.

Most of the about 15.5 million acres of forest land in MO is privately owned (82%) compared to federal (12%), state (5%) and county/municipality (0.5%) owned (Oswalt 2019).

- MO has one national forest—Mark Twain National Forest—which encompasses

Research Highlights

Publicly held land can be used for several purposes (e.g., recreation, resource extraction, conservation).

Public land is untaxed, but some local governments in MO can receive federal and state payments to offset lost taxes.

While public land can generate revenue, its overall impact on local economies is not clear.

approximately 1.5 million acres across 29 counties (FS 1 n.d.).

- Nationally, 89% of harvested timber comes from private lands (Oswalt 2019).

Publicly held land serves several different purposes.

Federal, state, and locally owned land are exempt from property taxes (MO Const. Art. X Sec. 6; DOI 1 n.d.).

Federal Payments. In 1976, the U.S. passed legislation creating **Payment in Lieu of Taxes (PILT)**—federal payments sent to local governments to help offset lost property taxes.

Table 1. Distribution of federally owned land and approved uses across federal agencies.

Owned By	% of all federal land	Approved uses
US Dept. Of Agriculture-Forest Service (FS)	89%	Resource extraction and utilization; outdoor recreation (16 USC 529, 531)
US Dept. Of Defense	5%	Military bases, training ranges (Vincent 2020)
US Fish & Wildlife Service	4%	Conservation of plants and animals (Vincent 2020)
US National Park Service	3%	Public recreation, enjoyment, and education (Vincent 2020)

Payments are determined by population and federal land within a county, and may be used for any local governmental purpose. Maximum payments are determined by county population and adjusted for inflation using the Consumer Price Index.

- The MO counties that received the most PILT payments in 2022 are ([DOI 2 n.d.](#)): Wayne (\$291,482), Shannon (\$258,321), Reynolds (\$231,368), Oregon (\$212,348), and Taney (\$202,076).

State Payments. The MO Conservation Commission within the Dept. of Conservation provides payments to political subdivisions (e.g., towns, counties, cities) in lieu of real property taxes for private land that is acquired by the commission and acquired after July 1, 1977 ([MO Const. Art. IV Sec. 43\(b\)](#)).

- The MO Conservation Commission determines payment amounts, which cannot be smaller than the property tax that was being paid at the time the land was purchased.

The economic impacts of publicly held land are not clear.

The effects of publicly held land on local economies are difficult to measure because of:

1. **Variations in land use requirements.** There are several types of federal land with different purposes and regulatory requirements ([Morales 2020](#)).

- For example, federally designated wilderness areas, but not national forests, prohibit harvesting timber, mining activities, grazing, motorized vehicles, and any kind of development ([WC n.d.](#)).

2. **Contributions from other economic drivers.** Changes in public land ownership can

affect population growth, per capita income, and job growth. Population growth is associated with both higher costs of living and increases in new businesses and job growth ([Morales 2020](#); [Rudzitis 2000](#)).

- One study found that when the status of 11 million acres of federal land in the Pacific Northwest changed to longer allow timber production, local employment growth was reduced but migration into the area increased ([Eichman 2010](#)).

Revenue generation

The federal [Secure Rural Schools Program](#) distributes funds that the FS generates through multi-use activities such as grazing, timber production, and special use permits, to eligible counties to help with local road maintenance and schools. These payments have been authorized through 2023.

- Missouri received about \$3.2 million in Secure Rural Schools Program payments in 2021 ([FS 2 n.d.](#)).
- Payments are calculated using the amount of land in a county that is owned by FS and the per capita personal income in that county ([FS 3](#)).

In 2021, 2.8 million people visited national parks in MO, spending about \$211 million in the local region ([NPS 2022](#)).

- This money largely went to lodging, restaurant, and recreational industries and supported 3,270 jobs.

In 2022, 19.8 million people visited MO state parks ([MDNR n.d.](#)).

- A study found that in 2011, state park visitors spent about \$778 million and supported 14,535 jobs.
- For every dollar that was spent by the MO parks system, there was a \$26 return on investment for MO's economy ([MDNR n.d.](#)).

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