



MERCATUS CENTER
George Mason University

POLICY SPOTLIGHT

Unlocking Growth on Tribal Lands in the US

Modern policy ideas that expand opportunity and reduce barriers to development

THOMAS STRATMANN | JANUARY 2026

Persistent uncertainty in Indian Country reflects federal policy structures, not tribal governance failures. Drawing on recent empirical findings and principles of clear rules and accountability, this paper outlines reforms to reconcile competing authorities while lowering investment barriers.

The Case for Reform

Paternalistic statutes and split jurisdiction suppress entrepreneurship by creating legal uncertainty on Indian reservations. Layered state and tribal taxes deter investment, trust-land rules obstruct collateralization, and slow federal approvals delay projects. Evidence suggests that when there is clear authority over taxation, regulation, and judicial systems, economic growth and outcomes improve.¹

One policy vision would modernize federal policy to provide certainty for economic development through clear rules, local control, and accountability. This would include a voluntary 14-tribe pilot, uniform legal protections, an end to dual taxation and regulatory overlap, and updated jurisdictional rules to provide greater certainty for investors and families. Because these reforms would be jurisdictional and preemptive, their budgetary impact can be expected to be near zero under PAYGO rules.

Policy Concepts (at a Glance)

Clarity and Certainty

- Launch a voluntary 14-tribe pilot; other tribes may opt in through phased comprehensive agreements.
- Establish clear territorial jurisdiction to end overlapping and conflicting rules that deter investment.

¹ See Thomas Stratmann, "Two Charts on the Reservation Economic Freedom Index (REFI), *Rules & Results*, September 22, 2025, <https://rulesandresults.substack.com/p/two-charts-on-the-reservation-economic>. Scan the QR code below for a full analysis and sources. For core case law on jurisdictional framework see *Williams v. Lee* and *McClanahan v. Arizona State Tax Commission*.



For more information or to meet with the scholar, contact
Mercatus Outreach, 703-993-4930, mercatusoutreach@mercatus.gmu.edu
Mercatus Center at George Mason University, 3434 Washington Blvd., 4th Floor, Arlington, Virginia 22201

The ideas presented in this document do not represent official positions of the Mercatus Center or George Mason University.

Reducing Barriers to Capital

- Remove duplicative state taxes and regulations causing uncertainty for businesses in Indian Country.
- Require public, searchable land registries to unlock capital, with dollar-for-dollar matching grants.
- Provide tribal enterprises parity in bonding, banking, and tax treatment, comparable to state entities.

Legal Protections and Accountability

- Apply Federal Bill of Rights protections to ensure consistent safeguards for all persons.
- Provide appellate access to federal circuit courts for non-members alleging violations.
- Require state orders to be domesticated in tribal court before enforcement; mandate judicial notice.

Jurisdictional Framework

- Clarify core case law (see footnote 1) to center territorial sovereignty and end dual taxation.
- Presume tribal jurisdiction over all persons, except for matters outside reservation boundaries.

Safeguards for Non-Members

- Federal Bill of Rights protections apply in participating tribal courts.
- Non-members have automatic access to federal appellate review in rights-based claims cases.
- Tribal and state orders receive full faith and credit, subject to domestication requirements.

Who Would Benefit

- **Tribal citizens:** Clearer individual property rights, more job-creating investment, stronger local institutions, and reduced federal micromanagement.
- **Businesses and investors:** Predictable rules, single tax system, clear jurisdiction, and enforceable contracts—reducing uncertainty that currently deters capital investment.
- **States:** Cleaner lines of authority, reduced litigation costs, fewer unfunded federal mandates, and more productive neighboring economies.
- **Federal taxpayers:** Simpler rules that emphasize local accountability and market-driven growth rather than expanding federal programs and bureaucracy.

Quick Answers to Common Questions

- **Would such policy concepts require treaty renegotiation? No.** Policy concepts can be crafted to amend federal statutes and clarify jurisdiction; the goal would be to leave existing treaties unchanged.
- **Would non-Natives lose rights or protections? No.** The Federal Bill of Rights would apply, with guaranteed federal appellate review for non-members and *more* certainty about protections, not less. The framework would protect individual property rights for all landowners, including allottees and their heirs, regardless of tribal membership status.
- **Would this be a one-size-fits-all mandate? No.** A voluntary pilot would test the model first, with phased participation for tribes that opt in.
- **What would this cost the federal government? Near zero under PAYGO.** The reforms do not create new spending. Matching grants would be offset by reduced BIA administrative costs.
- **Why would this increase investment? Businesses need predictable rules.** Clear, single-authority rules would replace overlapping state-tribal uncertainty that deters capital.

Policymakers can engage by requesting a summary of draft legislative text from the author; meeting with pilot-eligible tribes; and convening tribal, state, and business stakeholders and landowners to discuss rollout.