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The Week in Public Finance: Is Your City Positioned to Weather the Next Recession?

A new report identifies the different factors affecting a city's ability to respond to a fiscal crisis — and what policymakers can do about it.

What's true for one city isn't always true for another. Demographics and state policies say a lot about a city's ability to respond to a fiscal crisis.

A [new report](#), published by the Brookings Institution's Metropolitan Policy Program, looks at these factors, as well as how state and federal policies may influence how a city weathers a recession or other major disruption in revenue. "Part of what we're trying to understand here," says Michael Pagano, dean of the College of Urban Planning and Public Affairs at the University of Illinois at Chicago and a coauthor of the report, "is if there's a shock to the system, [how will] cities respond to those changes."

The report focuses specifically on the different limits cities have on their taxing power, such as the kinds of taxes a city is authorized by the state to levy, limits on raising the rates of those taxes and how a city's taxing structure aligns with its overall economy.

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BY LIZ FARMER | AUGUST 10, 2018

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