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## **What Cities' Revenue-Raising Methods Say About Their Pension Funding.**

**New research shows places that rely more on property taxes and less on state aid tend to have better-funded retirement systems.**

For a range of reasons, some local governments have accumulated massive unfunded pension liabilities over many years. Most often, these shortfalls are attributed to political climates, downturns in the local economy and aging populations.

New research reveals that cities' revenue structures — the mix of taxes, fees and intergovernmental aid they take in — also play a critical role, potentially putting some places at greater risk of mounting pension liabilities.

The University of Texas at Dallas study, published in the journal [State and Local Government Review](#), provides one of the first academic analyses of what factors influence pension funding at the local government level. It finds that localities that rely heavily on property taxes tend to contribute more to their pension systems, while those that depend more on state aid for revenue often experience greater pension funding woes.

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