

UNIVERSITY OF CALIFORNIA, IRVINE
DEPARTMENT OF ECONOMICS

DAVID R. AGRAWAL
TuTh 9:30-10:50

ECON 281B
URBAN ECONOMICS

Winter 2025
SSPA 3132

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Nature of Syllabus: The course syllabus is a general plan for the course; deviations announced to the class by the instructor may be necessary.

Course Objectives and Learning Outcomes: The course considers the economics of urban and regional markets with an emphasis on location decisions of people and firms, spatial methods for analyzing data, amenities and quality of life, commuting, and local public finance. Students will have the opportunity to explain a variety of local economic phenomena; incorporate geography and spatial analysis into standard economic models; and ponder why some people believe cities are our greatest invention. The emphasis will be on learning techniques that can be applied to produce original research and to critically analyze existing research in the field of urban economics. The course will help you: 1) to provide a working knowledge of modern theoretical and empirical techniques for investigating spatial phenomenon, 2) to sharpen how to think critically about the economics of cities, and 3) to gain experience in identifying and answering spatial research questions.

Textbooks and Readings: There is no required textbook for this course. Instead, we will also make extensive use of journal articles listed at the end of this syllabus. However, useful resources include the book titles below. I recommend that anyone wishing to do research in urban economics seriously consider these books as resources.

- Peter Nijkamp, Handbook of Regional and Urban Economics, Volume 1. (Amsterdam: North Holland, 1987).
- Edwin S. Mills, Handbook of Regional and Urban Economics, Volume 2. (Amsterdam: North Holland, 1987).
- Paul Cheshire and Edwin S. Mills, Handbook of Regional and Urban Economics, Volume 3. (Amsterdam: North Holland, 1999).

- J. Vernon Henderson and Jacques-François Thisse, Handbook of Regional and Urban Economics, Volume 4. (Amsterdam: North Holland, 2004).
- Gilles Duranton, Jacques-François Thisse and William C. Strange, Handbook of Regional and Urban Economics, Volume 5. (Amsterdam: North Holland, 2015).
- Jan K. Brueckner. Lectures on Urban Economics. (Cambridge: MIT Press, 2011).
- Masahisa Fujita. Urban Economic Theory. (Cambridge: Cambridge University Press, 1989).
- Pierre-Philippe Combes, Thierry Mayer, and Jacques-François Thisse. Economic Geography: The Integration of Regions and Nations. (Princeton: Princeton University Press, 2009)
- Holger Sieg. Urban Economics and Fiscal Policy. (Princeton: Princeton University Press, 2020).
- John F. McDonald and Daniel P. McMillen, Urban Economics and Real Estate: Theory and Policy, 2nd edition (Hoboken: John Wiley and Sons, 2011).
- Vincent Loonis. Handbook of Spatial Analysis Theory and Application with R. (<https://www.insee.fr/en/information/3635545>, 2018).
- David E. Wildasin. Urban Public Finance. (Abingdon, UK: Routledge 2013).

Online Materials: We will use the canvas system (<https://canvas.eee.uci.edu/>) for this semester. It is important you check this website regularly as I will post assignments to canvas and will use the announcements tool to send you important information. You are responsible for maintaining and checking your University email account and the canvas announcements on a daily basis. Please use your university email account for your academic correspondence to me so that it does not go to my spam folder.

Select readings will be made available online through canvas. My lecture notes are also posted to canvas.

Copyright: All course content created by the course instructor including but not limited to this document, lecture slides, homework assignments, exams, and answer keys are copyrighted by the course instructor. Unauthorized distribution or sale of copyrighted course materials to any other person or website, violates the UCI student code of conduct. Students found to be in violation will be reported to the university administration.

Grades: Grades for the class will be assigned based on the following information.

Requirement	% of Final Grade
Final Exam	30%
Paper Summaries	10%
Paper/Mini-papers	50%
Referee Report	10%

Final Exam: The course will contain a final exam. The final exam is cumulative. The final exam will be given in its university appointed time slot. An excused absence from the final exam will be given if you contact me *before* the exam and for an unexpected emergency (illness that prevents you from taking the exam or could harm the health of others; a documented family emergency). You must provide appropriate documentation.

Paper Summaries: Graduate education requires careful reading of academic articles. Students are expected to read all required readings, but will be assigned one of the readings for each module to write a paper summary.¹ For the assigned paper in each module, students will write a two-page (typewritten) summary of a paper for the module. The summary must be turned in before the start of the first class where we discuss papers in that module. The summary must address the following (please number answers in the write-up): (1) What is the main question? (2) What does economic theory predict about the main question? (3) What data are used? (4) What are the key parameters to be identified? (5) What is the identification strategy of the empirical approach? (6) What are the threats to identification and does the author adequately address them? (7) What are the main findings of the paper? (8) How does the paper contribute to the relevant literature?

Referee Report: The referee report is a critical assessment of an unpublished paper that I will provide to students to review. This report should be no longer than 5 pages and typically is 2 single spaced pages. The report should (1) assess the paper's contribution to the relevant literature; (2) discuss key weaknesses of the paper; and (3) make suggestions for improvement. Students should also prepare a one page cover letter containing a confidential recommendation for the journal editor (accept, revise and resubmit, reject) along with a brief justification. Students will be assigned a random article.

Paper/Mini-papers: Students may either write one long paper, due in the last day of class, or two short papers one due in the middle of the class and the other on the last day of class. The long paper (which will be your default choice if you do not turn in a short one midway through the term) will be a standard research paper. If you select this option, you should consult with me before beginning the research agenda. The short papers will be less complete. They will motivate a piece of research (a different one for each paper), describe its methods and the related literature. The only thing distinguishing it from a standard paper is that the actual analysis will not be finished. Note, a critical component of the evaluation of the short papers will include their feasibility. If the work could never be done, they will not be well received. Given this course is on urban economics, all papers written for this course should be related to this broad theme, but need not relate to material covered this term. While papers can be typed in any software, I especially am pleased to see papers written in L^AT_EX or L^AX. If you don't know these, now is a good time to learn.

Letter of Introduction: For the second lecture, please write a one-page letter of introduction of yourself to me. Include your name and anything about yourself that you would

¹This is inspired by Melissa S. Kearney's syllabus.

like to share such as your future research interests. I want to learn about you and your interests throughout the semester and this will help start that process.

Accommodations: If you require special accommodation, then you must submit documentation from the Disability Service Center (DSC) to me within the first two weeks of the quarter and you must inform me in writing at least one week in advance of each instance for which an accommodation will be required.

Academic Honesty: I take academic integrity seriously and you should too. The minimum academic penalty for cheating on a homework assignment or exam is a zero grade for the assignment or exam in question and the maximum academic penalty will be a failing grade for the course. Additional administrative penalties may be imposed by the university. I will report suspected academic misconduct to the Office of Academic Integrity & Student Conduct. Review the university's policies at: <https://conduct.uci.edu/>. Questions about proper procedures are always appropriate – and welcome – before work is submitted. Especially important for doctoral students is to understand appropriate attribution and plagiarism.

Artificial Intelligence: In this class, you should complete your work without using AI-generated sources to augment, think through, or write your assignments. There is one exception: you are welcome to use AI tools for editing (spell-check and grammar-check) as long as you do not use them for thinking or drafting. If using AI for editing, a footnote on the front page should include a note stating the AI tool you used on prompt(s) you gave it. If you submit work that appears to have been written using AI sources, I will ask you to meet with me to discuss your thinking and writing process. If, after our conversation, I conclude it's more likely than not that you did not personally complete an assignment you submitted under your name, I will report a violation of the campus Academic Integrity Policy to the campus Office of Academic Integrity & Student Conduct and award a score of zero on the assignment.

Children in the Classroom: All babies (nursing, bottle-feeding, etc.) are welcome in class as often as is necessary. For older children I understand that disruptions to childcare may happen. Rather than missing class, you are welcome to bring your child to class. However, for older children, this is not a long-term solution and should only be done when childcare is unavailable. If bringing a child to class, feel free to bring activities and (quiet) toys to keep them having fun.

Schedule: The following list indicates when we will cover various topics. As this is my first time teaching this class, it's highly likely we will deviate from this schedule or that I will not cover certain topics. The required readings will be provided as we progress.

Day	Module	Readings	What is due?
01/07	Introduction		
01/09	Spatial Data & Measurement		
01/14	Spatial Statistics		
01/16	Spatial Econometrics		
01/21	Network Analysis & Peer Effects		
01/23	Choice Models		
01/28	Border Discontinuity Designs		
01/30	Bartik Models and Shift Share Designs		
02/04	Spatial Equilibrium Across Cities		
02/06	Spatial Equilibrium Across Cities with Taxation		
02/11	Migration Across Cities: Empirical Evidence		Referee Report due
02/13	Cities as marriage markets		
02/18	Public policies and commuting patterns		
02/20	Elasticities of Jobs versus Residence		Paper 1 due
02/25	Modal choice: planes, trains and automobiles		
02/27	Commuting and worker/firm matching		
03/04	The property tax		
03/06	Spatial sorting		
03/11	Bunching at borders		
03/13	Rural economies		Paper 2 due
03/20	8:00-10:00am		Final Exam

MODULES: The following is a list of topics that we will cover. Reading articles will be added as we progress.

INTRODUCTION:

- Why spatial economics is great.
Duranton, G. and Puga, D., 2020. The economics of urban density. *Journal of economic perspectives*, 34(3), pp.3-26.
Rosenthal, S.S. and Strange, W.C., 2020. How close is close? The spatial reach of agglomeration economies. *Journal of economic perspectives*, 34(3), pp.27-49.
Holmes, T.J. and Lee, S., 2010. Cities as six-by-six-mile squares: Zipf's law?. In *Agglomeration economics* (pp. 105-131). University of Chicago Press.
Gabaix, X., 2016. Power laws in economics: An introduction. *Journal of Economic Perspectives*, 30(1), pp.185-206.
Alsan, M. and Goldin, C., 2019. Watersheds in child mortality: The role of effective water and sewerage infrastructure, 1880–1920. *Journal of Political Economy*, 127(2), pp.586-638.

SPATIAL DATA ANALYSIS

- Data and measurement
Henderson, V., Storeygard, A. and Weil, D.N., 2011. A bright idea for measuring economic growth. *American Economic Review*, 101(3), pp.194-199.
Henderson, J.V., Storeygard, A. and Weil, D.N., 2012. Measuring economic growth from outer space. *American economic review*, 102(2), pp.994-1028.
Bluhm, R. and Krause, M., 2022. Top lights: Bright cities and their contribution to economic development. *Journal of Development Economics*, 157, p.102880.
Duranton, G., Morrow, P.M. and Turner, M.A., 2014. Roads and Trade: Evidence from the US. *Review of Economic Studies*, 81(2), pp.681-724.
Saiz, A., 2010. The geographic determinants of housing supply. *The Quarterly Journal of Economics*, 125(3), pp.1253-1296.
Turner, M.A., Haughwout, A. and Van Der Klaauw, W., 2014. Land use regulation and welfare. *Econometrica*, 82(4), pp.1341-1403.
Hatfield, J.W. and Kosec, K., 2013. Federal competition and economic growth. *Journal of Public Economics*, 97, pp.144-159.
- Spatial statistics
McMillen, D.P., 2010. Issues in spatial data analysis. *Journal of Regional Science*, 50(1), pp.119-141.
Keele, L. and Titiunik, R., 2016. Natural experiments based on geography. *Political Science Research and Methods*, 4(1), pp.65-95.
Janeba, E. and Osterloh, S., 2013. Tax and the city—A theory of local tax competition. *Journal of Public Economics*, 106, pp.89-100.
Brueckner, J.K. and Saavedra, L.A., 2001. Do local governments engage in strategic property—Tax competition?. *National tax journal*, 54(2), pp.203-229.

- Spatial econometrics

- Gibbons, S., Overman, H.G. and Patacchini, E., 2015. Spatial methods. In Handbook of regional and urban economics (Vol. 5, pp. 115-168). Elsevier.
- Brueckner, J.K., 2003. Strategic interaction among governments: An overview of empirical studies. *International regional science review*, 26(2), pp.175-188.
- Lyytikäinen, T., 2012. Tax competition among local governments: Evidence from a property tax reform in Finland. *Journal of Public Economics*, 96(7-8), pp.584-595.
- Merlo, V., Schanbacher, A., Thunecke, G. and Wamser, G., 2023. Identifying tax-setting responses from local fiscal policy programs.
- Parchet, R., 2019. Are local tax rates strategic complements or strategic substitutes?. *American Economic Journal: Economic Policy*, 11(2), pp.189-224.

- Network analysis and peer effects

- Bramoullé, Y., Djebbari, H. and Fortin, B., 2020. Peer effects in networks: A survey. *Annual Review of Economics*, 12(1), pp.603-629.
- Agrawal, D.R., Breuillé, M.L. and Le Gallo, J., 2024. Tax competition with intermunicipal cooperation.
- Bayer, P., Ross, S.L. and Topa, G., 2008. Place of work and place of residence: Informal hiring networks and labor market outcomes. *Journal of political Economy*, 116(6), pp.1150-1196.
- Chetty, R. and Hendren, N., 2018. The impacts of neighborhoods on intergenerational mobility I: Childhood exposure effects. *The quarterly journal of economics*, 133(3), pp.1107-1162.
- Chetty, R. and Hendren, N., 2018. The impacts of neighborhoods on intergenerational mobility II: County-level estimates. *The Quarterly Journal of Economics*, 133(3), pp.1163-1228.
- Chetty, R., Hendren, N., Kline, P. and Saez, E., 2014. Where is the land of opportunity? The geography of intergenerational mobility in the United States. *The quarterly journal of economics*, 129(4), pp.1553-1623.
- Chetty, R., Hendren, N. and Katz, L.F., 2016. The effects of exposure to better neighborhoods on children: New evidence from the moving to opportunity experiment. *American Economic Review*, 106(4), pp.855-902.

- Choice models

- Train, Kenneth E. (2003), *Discrete Choice Methods with Simulation*, Cambridge University Press. Chapter 1 and 2.
- Kleven, H.J., Landais, C. and Saez, E., 2013. Taxation and international migration of superstars: Evidence from the European football market. *American economic review*, 103(5), pp.1892-1924.
- Agrawal, D.R. and Foremny, D., 2019. Relocation of the rich: Migration in response to top tax rate changes from Spanish reforms. *Review of Economics and Statistics*, 101(2), pp.214-232.

- Border discontinuity designs

Keele, L.J. and Titiunik, R., 2015. Geographic boundaries as regression discontinuities. *Political Analysis*, 23(1), pp.127-155.

Cattaneo, M.D. and Titiunik, R., 2022. Regression discontinuity designs. *Annual Review of Economics*, 14(1), pp.821-851.

Holmes, T.J., 1998. The effect of state policies on the location of manufacturing: Evidence from state borders. *Journal of political Economy*, 106(4), pp.667-705.

Dube, A., Lester, T.W. and Reich, M., 2010. Minimum wage effects across state borders: Estimates using contiguous counties. *The review of economics and statistics*, 92(4), pp.945-964.

Jha, P., Neumark, D. and Rodriguez-Lopez, A., 2022. What's across the border? Re-evaluating the cross-border evidence on minimum wage effects. IZA-Institute of Labor Economics.

Agrawal, D.R. and Trandel, G.A., 2019. Dynamics of policy adoption with state dependence. *Regional Science and Urban Economics*, 79, p.103471.

Agrawal, D.R., 2015. The tax gradient: Spatial aspects of fiscal competition. *American Economic Journal: Economic Policy*, 7(2), pp.1-29.

Eugster, B. and Parchet, R., 2019. Culture and taxes. *Journal of Political Economy*, 127(1), pp.296-337.

- Bartik and shift-share designs

Bartik, T.J., 1991. Who benefits from state and local economic development policies?.

Goldsmith-Pinkham, P., Sorkin, I. and Swift, H., 2020. Bartik instruments: What, when, why, and how. *American Economic Review*, 110(8), pp.2586-2624.

Borusyak, K., Hull, P. and Jaravel, X., 2022. Quasi-experimental shift-share research designs. *The Review of economic studies*, 89(1), pp.181-213.

Autor, D.H., Dorn, D. and Hanson, G.H., 2013. The China syndrome: Local labor market effects of import competition in the United States. *American economic review*, 103(6), pp.2121-2168.

Boustan, L., Ferreira, F., Winkler, H. and Zolt, E.M., 2013. The effect of rising income inequality on taxation and public expenditures: Evidence from US municipalities and school districts, 1970–2000. *Review of Economics and Statistics*, 95(4), pp.1291-1302.

SPATIAL EQUILIBRIUM ACROSS CITIES

- The standard model

S. Rosen, "Wage-Based Indexes of Urban Quality of Life," In: P. Mieszkowski and M. Straszheim, Eds., *Current Issues in Urban Economics*, Johns Hopkins University Press, Baltimore, 1979, pp. 74-104.

Roback, J., 1982. Wages, rents, and the quality of life. *Journal of political Economy*, 90(6), pp.1257-1278.

Albouy, D., 2016. What are cities worth? Land rents, local productivity, and the total value of amenities. *Review of Economics and Statistics*, 98(3), pp.477-487.

Albouy, D. and Lue, B., 2015. Driving to opportunity: Local rents, wages, commuting, and sub-metropolitan quality of life. *Journal of Urban Economics*, 89, pp.74-92.

Glaeser, E.L. and Gottlieb, J.D., 2009. The wealth of cities: Agglomeration economies and spatial equilibrium in the United States. *Journal of economic literature*, 47(4), pp.983-1028.

Hsieh, C.T. and Moretti, E., 2019. Housing constraints and spatial misallocation. *American economic journal: macroeconomics*, 11(2), pp.1-39.

Enrico, M., 2011. Local labor markets. In *Handbook of labor economics* (Vol. 4, pp. 1237-1313). Elsevier.

Blomquist, G.C., Berger, M.C. and Hoehn, J.P., 1988. New estimates of quality of life in urban areas. *The American Economic Review*, pp.89-107.

Albouy, D., Graf, W., Kellogg, R., and Wolff, H. (2016). Climate amenities, climate change, and american quality of life. *Journal of the Association of Environmental and Resource Economists*, 3(1):205–246.

Diamond, R., 2016. The determinants and welfare implications of US workers' diverging location choices by skill: 1980–2000. *American Economic Review*, 106(3), pp.479-524.

Baum-Snow, N., Freedman, M. and Pavan, R., 2018. Why has urban inequality increased?. *American Economic Journal: Applied Economics*, 10(4), pp.1-42.

- With taxation

Albouy, D., 2009. The unequal geographic burden of federal taxation. *Journal of Political Economy*, 117(4), pp.635-667.

Agrawal, D.R. and Brueckner, J.K., 2025. Taxes and Telework: The impacts of state income taxes in a work-from-home economy. *Journal of Urban Economics*, 145, p.103732.

- Migration across cities

Molloy, R., Smith, C.L. and Wozniak, A., 2011. Internal migration in the United States. *Journal of Economic perspectives*, 25(3), pp.173-196.

Coate, P. and Mangum, K., 2019. Fast locations and slowing labor mobility.

Agrawal, D.R. and Foremny, D., 2019. Relocation of the rich: Migration in response to top tax rate changes from Spanish reforms. *Review of Economics and Statistics*, 101(2), pp.214-232.

Shi, Y., Hartley, D., Mazumder, B. and Rajan, A., 2022. The effects of the Great Migration on urban renewal. *Journal of Public Economics*, 209, p.104647.

Derenoncourt, E., 2022. Can you move to opportunity? Evidence from the Great Migration. *American Economic Review*, 112(2), pp.369-408.

Stuart, B.A. and Taylor, E.J., 2021. Migration networks and location decisions: Evidence from US mass migration. *American Economic Journal: Applied Economics*, 13(3), pp.134-175.

Glaeser, E.L. and Tobio, K., 2008. The rise of the sunbelt. *Southern Economic Journal*, 74(3), pp.609-643.

CITIES AND DEMOGRAPHY

- Sex and the city: marriage markets

Edlund, L., 2005. Sex and the City. *Scandinavian Journal of Economics*, 107(1),

pp.25-44.

Gauvin, L., Tizzoni, M., Piaggese, S., Young, A., Adler, N., Verhulst, S., Ferres, L. and Cattuto, C., 2020. Gender gaps in urban mobility. *Humanities and Social Sciences Communications*, 7(1), pp.1-13.

Costa, D.L. and Kahn, M.E., 2003. The rising price of nonmarket goods. *American Economic Review*, 93(2), pp.227-232.

Simon, C.J., 2019. Migration and career attainment of power couples: the roles of city size and human capital composition. *Journal of Economic Geography*, 19(2), pp.505-534.

Goni, M., 2022. Assortative Matching at the Top of the Distribution: Evidence from the World's Most Exclusive Marriage Market. *American Economic Journal: Applied Economics*, 14(3), pp.445-487.

Gautier, P.A., Svarer, M. and Teulings, C.N., 2010. Marriage and the city: Search frictions and sorting of singles. *Journal of Urban Economics*, 67(2), pp.206-218.

COMMUTING

- Public policies and commuting

Agrawal, D.R. and Hoyt, W.H., 2018. Commuting and taxes: Theory, empirics and welfare implications. *The Economic Journal*, 128(616), pp.2969-3007.

Brueckner, J.K. and Kim, H.A., 2003. Urban sprawl and the property tax. *International Tax and Public Finance*, 10, pp.5-23.

Wildasin, D.E., 1985. Income taxes and urban spatial structure. *Journal of Urban Economics*, 18(3), pp.313-333.

Paetzold, J., 2019. Do commuting subsidies increase commuting distances? Evidence from a Regression Kink Design. *Regional Science and Urban Economics*, 75, pp.136-147.

- Elasticities of jobs versus households

Monte, F., Redding, S.J. and Rossi-Hansberg, E., 2018. Commuting, migration, and local employment elasticities. *American Economic Review*, 108(12), pp.3855-3890.

Krebs, O. and Pflüger, M., 2023. On the road (again): Commuting and local employment elasticities in Germany. *Regional Science and Urban Economics*, 99, p.103874.

Agrawal, D.R. and Tester, K., 2024. State Taxation of Nonresident Income and the Location of Work. *American Economic Journal: Economic Policy*, 16(1), pp.447-481.

Blanchard, O.J., Katz, L.F., Hall, R.E. and Eichengreen, B., 1992. Regional evolutions. *Brookings papers on economic activity*, 1992(1), pp.1-75.

- Gender

Borghorst, M., I. Mulalic and J. van Ommeren. Commuting, gender and children. *Journal of Urban Economics*, vol. 144, 103709, 2024.

Le Barbanchon, T., Rathelot, R. and Roulet, A., 2021. Gender differences in job search: Trading off commute against wage. *The Quarterly Journal of Economics*, 136(1), pp.381-426.

- Planes, trains and automobiles

Anderson, M.L., 2014. Subways, strikes, and slowdowns: The impacts of public transit on traffic congestion. *American Economic Review*, 104(9), pp.2763-2796.

Leape, J., 2006. The London congestion charge. *Journal of economic perspectives*, 20(4), pp.157-176.

Agrawal, D.R. and Zhao, W., 2023. Taxing uber. *Journal of Public Economics*, 221, p.104862.

Hall, J.D., Palsson, C. and Price, J., 2018. Is Uber a substitute or complement for public transit?. *Journal of urban economics*, 108, pp.36-50.

- Worker/firm matching

Abowd, J.M., Kramarz, F. and Margolis, D.N., 1999. High wage workers and high wage firms. *Econometrica*, 67(2), pp.251-333.

Card, David, Joerg Heining, and Patrick Kline. 2013. "Workplace Heterogeneity and the Rise of West German Wage Inequality." *The Quarterly Journal of Economics*, 128(3): 967–1015.

Agrawal, D.R., Janeba, E. and Jahn, E.J., 2024. Do Commuting Subsidies Drive Workers to Better Firms?. Available at SSRN 4729591.

Card, D., Rothstein, J. and Yi, M., 2024, May. Reassessing the Spatial Mismatch Hypothesis. In *AEA Papers and Proceedings* (Vol. 114, pp. 221-225). 2014 Broadway, Suite 305, Nashville, TN 37203: American Economic Association.

Card, D., Rothstein, J. and Yi, M., 2025, Location, Location, Location. *American Economic Journal: Applied Economics*

Dauth, W., Findeisen, S., Moretti, E. and Suedekum, J., 2022. Matching in cities. *Journal of the European Economic Association*, 20(4), pp.1478-1521.

PUBLIC FINANCES

- The property tax

Agrawal, D.R., Hoyt, W.H. and Wilson, J.D., 2022. Local policy choice: theory and empirics. *Journal of Economic Literature*, 60(4), pp.1378-1455.

Michael Keen and Kai Konrad, "The Theory of International Tax Competition and Coordination," *Handbook of Public Economics*, vol. 5, Chapter 5.

Marius Brühlhart, Sam Bucovetsky, Kurt Schmidheiny, "Taxes in Cities," *Handbook of Urban and Regional Economics*, vol. 5B, Chapter 17.

Yinger, J., Bloom, H.S. and Boersch-Supan, A., 2013. Property taxes and house values: The theory and estimation of intrajurisdictional property tax capitalization. Elsevier.

Ferreira, F., 2010. You can take it with you: Proposition 13 tax benefits, residential mobility, and willingness to pay for housing amenities. *Journal of Public Economics*, 94(9-10), pp.661-673.

Oates, W.E., 1969. The effects of property taxes and local public spending on property values: An empirical study of tax capitalization and the Tiebout hypothesis. *Journal of political economy*, 77(6), pp.957-971.

- Tiebout, C.M., 1956. A pure theory of local expenditures. *Journal of political economy*, 64(5), pp.416-424.
- Bewley, T.F., 1981. A critique of Tiebout's theory of local public expenditures. *Econometrica: Journal of the Econometric Society*, pp.713-740.
- Wilson, J.D., 1986. A theory of interregional tax competition. *Journal of urban Economics*, 19(3), pp.296-315.
- Zodrow, G.R. and Mieszkowski, P., 1986. Pigou, Tiebout, property taxation, and the underprovision of local public goods. *Journal of urban economics*, 19(3), pp.356-370.
- Dray, S., Landais, C. and Stantcheva, S., 2023. Wealth and property taxation in the United States (No. w31080). National Bureau of Economic Research.
- Avenancio-León, C.F. and Howard, T., 2022. The assessment gap: Racial inequalities in property taxation. *The Quarterly Journal of Economics*, 137(3), pp.1383-1434.
- Brockmeyer, A., Estefan, A., Arras, K.R. and Suarez Serrato, J.C., 2021. Taxing property in developing countries: Theory and evidence from Mexico (No. w28637). National Bureau of Economic Research.
- Löffler, M. and Siegloch, S., 2024. Welfare effects of property taxation Working Paper.
- Bradley, S., 2017. Inattention to deferred increases in tax bases: How Michigan home buyers are paying for assessment limits. *Review of Economics and Statistics*, 99(1), pp.53-66.
- Spatial sorting

Eeckhout, J., Pinheiro, R. and Schmidheiny, K., 2014. Spatial sorting. *Journal of Political Economy*, 122(3), pp.554-620.

Diamond, R. and Gaubert, C., 2022. Spatial sorting and inequality. *Annual Review of Economics*, 14(1), pp.795-819.

Epplé, D., Romer, T. and Siegel, H., 2001. Interjurisdictional sorting and majority rule: an empirical analysis. *Econometrica*, 69(6), pp.1437-1465.

Bayer, P., Ferreira, F.V. and McMillan, R., 2004. Tiebout sorting, social multipliers and the demand for school quality.

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