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## **New Jersey Swoops In as Budget Spat Pushes Trenton to Verge of Default.**

- **Capital city's mayor wants state to take over spending plan**
- **'Hush your mouth!' and other explosions at public meetings**

New Jersey ordered Trenton to cover a \$14 million bond payment blocked by a warring city council, seeking to prevent a local budget fight from driving the state capital to default on its bonds.

The city of 90,000, where more than 1 in 4 lives in poverty, has been meeting payroll and other bills on an emergency basis because the council has failed to vote on a proposed \$227 million budget that was due on April 29.

In a letter to Mayor Reed Gusciora, state officials outlined how the city council also deadlocked on authorizing debt payments for water, sewer and school district expenses.

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### **Bloomberg Markets**

By Elise Young

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