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## In Case You Missed It: “Atlantic City default would negatively impact other N.J. cities, Moody’s says”

Wednesday, April 6, 2016

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*In Case You Missed It*  
**“Atlantic City default would negatively impact other N.J. cities, Moody’s says”**  
 - *The Philadelphia Inquirer*

### “Atlantic City default would negatively impact other N.J. cities, Moody’s says”

Andrew Seidman

The Inquirer

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The city owes nearly \$250 million in debt to bondholders and \$150 million to the Borgata in property tax refunds.

A default would negatively affect the credit of cities such as Newark, Paterson, Salem, and Irvington, among others, Moody’s said. The credit agency downgraded Atlantic City’s general obligation debt rating this week, citing the possibility of a default this year and a political stalemate in Trenton.

Christie supports legislation, which has passed the Senate, that would allow the state to take over the city’s finances. The bill has stalled in the Assembly, because Speaker Vincent Prieto (D., Hudson) opposes a provision that would allow the state to violate the city’s collective bargaining agreements with public-sector unions.

Christie has said public employees and casinos must also be willing to make sacrifices.

...

“Taken together, these actions go further than merely signaling a limit to the state’s willingness to prevent a default.”

The credit firm added: “While Atlantic City is an extreme case and no other New Jersey municipality is currently facing such acute financial pressure, the state’s posture toward Atlantic City reduces the likelihood that it would rescue other financially distressed cities.

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