

61-3705. Application of proceeds. (a) Upon the sale of personal property by the appropriate officer, the clerk of the court shall apply the proceeds of sale in the following priority:

- (1) To the court costs of the action including the officer's expenses and cost of publication;
- (2) in accordance with the provisions of K.S.A. 60-2406, and amendments thereto;
- (3) in satisfaction of all judgments rendered in the action against the defendant or the property in accordance with the priority determined by the court;
- (4) any surplus shall be paid to the defendant, except that if any other security interest holder, subsequent to the entering of the judgment of foreclosure, files with the clerk of the court a written notification of demand furnishing reasonable proof of the security interest holder's interest, the clerk shall withhold any payment to the defendant. Such security interest holder shall serve the defendant with notice of the demand within 14 days after such filing and furnish proof of such notice to the court.

(b) If the defendant does not, within 14 days, notify the clerk in writing that the defendant takes exception to the demand of such security interest holder, the clerk shall apply the surplus to the demand and pay any balance to the defendant.

(c) If the defendant, within 14 days, notifies the clerk in writing that the defendant takes exception to the demand, the clerk shall withhold all surplus in the clerk's possession for a period of 30 days. If the security interest holder has not commenced a separate action to recover the security interest holder's claim and garnished the clerk within the time, the clerk shall pay the surplus to the defendant.

History: L. 2000, ch. 161, § 77; L. 2010, ch. 135, § 218; July 1.