

2020 Kansas Statutes

- 84-9-322. Priorities among conflicting security interests in and agricultural liens on same collateral.** (a) General priority rules. Except as otherwise provided in this section, priority among conflicting security interests and agricultural liens in the same collateral is determined according to the following rules:
- (1) Conflicting perfected security interests and agricultural liens rank according to priority in time of filing or perfection. Priority dates from the earlier of the time a filing covering the collateral is first made or the security interest or agricultural lien is first perfected, if there is no period thereafter when there is neither filing nor perfection.
 - (2) A perfected security interest or agricultural lien has priority over a conflicting unperfected security interest or agricultural lien.
 - (3) The first security interest or agricultural lien to attach or become effective has priority if conflicting security interests and agricultural liens are unperfected.
- (b) Time of perfection: Proceeds and supporting obligations. For the purposes of subsection (a)(1):
- (1) The time of filing or perfection as to a security interest in collateral is also the time of filing or perfection as to a security interest in proceeds; and
 - (2) the time of filing or perfection as to a security interest in collateral supported by a supporting obligation is also the time of filing or perfection as to a security interest in the supporting obligation.
- (c) Special priority rules: Proceeds and supporting obligations. Except as otherwise provided in subsection (f), a security interest in collateral which qualifies for priority over a conflicting security interest under K.S.A. 2020 Supp. 84-9-327, 84-9-328, 84-9-329, 84-9-330 or 84-9-331, and amendments thereto, also has priority over a conflicting security interest in:
- (1) Any supporting obligation for the collateral; and
 - (2) proceeds of the collateral if:
 - (A) The security interest in proceeds is perfected;
 - (B) the proceeds are cash proceeds or of the same type as the collateral; and
 - (C) in the case of proceeds that are proceeds of proceeds, all intervening proceeds are cash proceeds, proceeds of the same type as the collateral, or an account relating to the collateral.
 - (d) First-to-file priority rule for certain collateral. Subject to subsection (e) and except as otherwise provided in subsection (f), if a security interest in chattel paper, deposit accounts, negotiable documents, instruments, investment property, or letter-of-credit rights is perfected by a method other than filing, conflicting perfected security interests in proceeds of the collateral rank according to priority in time of filing.
 - (e) Applicability of subsection (d). Subsection (d) applies only if the proceeds of the collateral are not cash proceeds, chattel paper, negotiable documents, instruments, investment property, or letter-of-credit rights.
- (f) Limitations on subsections (a) through (e). Subsections (a) through (e) are subject to:
- (1) Subsection (g) and the other provisions of this part;
 - (2) K.S.A. 84-4-210, and amendments thereto, with respect to a security interest of a collecting bank;
 - (3) K.S.A. 84-5-118, and amendments thereto, with respect to a security interest of an issuer or nominated person; and
 - (4) K.S.A. 2020 Supp. 84-9-110, and amendments thereto, with respect to a security interest arising under article 2 or 2a.
- (g) Priority under agricultural lien statute. A perfected agricultural lien on collateral has priority over a conflicting security interest in or agricultural lien on the same collateral if the statute creating the agricultural lien so provides.
- History:** L. 2000, ch. 142, § 42; July 1, 2001.