

## 6-27/900.00 Distribution of Proceeds of Sale

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### • 6-27/910.00 Collection by Non-Cash Payment

Proceeds (collection) paid by check or other non-cash payment, are not considered received until the check or other form of non-cash payment has actually been honored. ([CCP 701.820\(d\)](#))

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### • 6-27/920.00 Prompt Distribution of Proceeds

The levying officer shall promptly distribute proceeds received from a sale or collection to the persons entitled thereto.

The proceeds shall be paid within 30 days after they are received. ([CCP 701.820\(b\)](#))

If the proceeds are not to be received in one payment, the levying officer may accumulate proceeds received during a 30-day period, and the accumulated proceeds shall be paid to the persons entitled thereto not later than 10 days after the expiration of the 30-day period. ([CCP 701.820\(c\)](#))

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### • 6-27/930.00 Deposit with Court

If the levying officer has knowledge of conflicting claims to all or a portion of proceeds to be distributed, the officer may, within the time required to make distribution, deposit the proceeds that are subject of the conflicting claims with the court. In such a case, any interested party may apply to the court on noticed motion for an order for distribution of the proceeds deposited with the court. ([CCP 701.830](#))

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### • 6-27/940.00 Proceeds from Sale Other Than Homestead

The levying officer shall distribute the proceeds of sale or collection in the following order:

- To persons having preferred labor claims that are required to be satisfied ([CCP 701.810\(a\)](#))
  - To the state department or agency having a state tax lien that is superior to the judgment creditor's lien ([CCP 701.810\(b\)](#))
  - If property was sold, and the purchaser was not the judgment creditor, to the judgment creditor in the amount of any deposit made to satisfy a third party claim with interest thereon at the rate on money judgments from the date of the deposit ([CCP 701.810\(c\)](#))
  - To the judgment debtor in the amount of any applicable proceeds exemption for a motor vehicle, household furnishings and other personal effects, or tools of trade. Such proceeds shall be used to satisfy the following in the order of their respective priorities and the balance paid to the debtor:
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- Any consensual liens and encumbrances, and any liens for labor or materials, that are subordinate to the judgment creditor's lien ([CCP 701.810\(d\)\(1\)](#))
- Any state tax lien if the notice of lien on the property sold or collected has been recorded or filed prior to the time the levying officer received the proceeds of the sale or collection ([CCP 701.810\(d\)\(2\)](#))
- To the levying officer for any costs not prepaid ([CCP 701.810\(e\)](#))
- To the judgment creditor to satisfy
  - First, the costs and interest accruing after issuance of the writ ([CCP 701.810\(f\)\(1\)](#))
  - Second, the amount due on the judgment with costs and interest as entered on the writ ([CCP 701.810\(f\)\(2\)](#))
- To any other judgment creditors who have delivered writs to the levying officer, accompanied by instructions to levy upon the judgment debtor's property or the proceeds of its sale or collection, or any other persons actually known by the levying officer to have a claim, lien, or other interest subordinate to the judgment creditor's lien that is extinguished by the sale and is not otherwise satisfied, in the amounts to which they are entitled in order of their respective priorities ([CCP 701.810\(g\)](#))
- To the judgment debtor in the amount remaining ([CCP 701.810\(h\)](#))

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## • 6-27/950.00 Proceeds from Sale of Homestead

Proceeds from the sale of a homestead shall be distributed in the following order:

- To the discharge of all liens and encumbrances, if any, on the property ([CCP 704.850\(a\)\(1\)](#))
- To the judgment debtor in the amount of any proceeds exemption ([CCP 704.850\(a\)\(2\)](#))
- To the levying officer for any costs not prepaid ([CCP 704.850\(a\)\(3\)](#))
- To the judgment creditor to satisfy
  - First, the costs and interest accruing after issuance of the writ ([CCP 704.850\(a\)\(4\)\(A\)](#))
  - Second, the amount due on the judgment with costs and interest as entered on the writ ([CCP 704.850\(a\)\(4\)\(B\)](#))
- To the judgment debtor in the amount remaining ([CCP 704.850\(a\)\(5\)](#))

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## • 6-27/960.00 Failure to Distribute Proceeds Timely

If the levying officer fails to distribute proceeds or deposit with the court timely, a person entitled to the proceeds may file a written demand for the payment with the levying officer. The demand may be filed in person or by certified mail. ([CCP 701.820\(e\)\(2\)](#))

If the levying officer does not pay the process within 10 days after the demand is filed, the judgment creditor may file an ex parte application for an order directing the levying officer to show cause (OSC) why relief should not be granted.

The OSC shall set a date and time for the levying officer to appear not less than 20 and not more than 30 days after filing of the application. If the levying officer pays all proceeds to the judgment creditor no later than 10 days prior to the hearing, the judgment creditor shall notify the court of full payment no later than three days prior to the hearing and the court shall withdraw the order and vacate the hearing. ([CCP 701.820\(f\)](#))

Relief may be the officer is liable for the amount the person is entitled to plus 25 percent damages and interest at the rate of 10 percent a month from the time of demand, plus costs and reasonable attorney's fees. ([GC 26680](#))

If the court finds that the OSC was filed was knowingly false, or made in bad faith, the court may award costs and reasonable attorney fees to the levying officer. ([CCP 701.820\(f\)](#))

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