Blogs
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California Land Use & Development Law Report

If J.R. Wants Your Property, He Can Take It, Even if You're a Public Benefit Corporation.

In California, title to property owned by a public entity cannot be acquired through adverse possession. The same is not true, however, of land owned by a public benefit corporation according to the court in *Hagman v. Meher Mount. Corp*, No.B239014 (2nd Dist., April 3, 2013). Larry Hagman (J.R. in *Dallas* and Major Nelson in *I Dream of Jeannie*) owned a 30-acre parcel in Ojai adjacent to property owned by Meher Mount, a tax-exempt religious group devoted to "the betterment of mankind by implementing the teachings of Meher Baba." In 1987, Hagman inadvertently fenced in approximately half an acre of Meher Mount's property. In 2011, having occupied the half acre for more than five years, Hagman sued to quiet title to it based on adverse possession. Meher Mount responded that, as a tax-exempt public benefit corporation, it was a public entity, immune from adverse possession. It contended that public benefit corporations are "public corporations," and because public corporations are public entities, public benefit corporations are necessarily public entities. The court disagreed, for two reasons. The term "public corporation" is used to designate specific entities that exercise governmental functions. The fact that the terms "public corporation" and "public benefit corporation" share two of the same words does not make them synonymous. Nor can public benefit corporations be public entities, the court said, since they do not serve a governmental purpose or possess any of the traditional incidents of sovereign authority, such as the power to tax or condemn property. The court also rejected Meher Mount's argument that Hagman had failed to prove payment of taxes on the disputed property as a prerequisite to adverse possession. An adverse possessor must pay all taxes "levied and assessed" against the land for a period of five years. However, due to Meher Mount's tax-exempt status, no property taxes had been either levied or assessed against the property, and so Hagman was not required to have paid property taxes to establish adverse possession.

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