

SENATE BILL REPORT

ESSB 5769

As Passed Senate, February 16, 1998

Title: An act relating to theft of property.

Brief Description: Concerning the theft of beverage crates and merchandise pallets.

Sponsors: Senate Committee on Law & Justice (originally sponsored by Senators Johnson and Goings).

Brief History:

Committee Activity: Law & Justice: 2/24/97, 3/3/97 [DPS].

Passed Senate, 3/13/97, 34-15.

Passed Senate, 2/16/98, 30-16.

SENATE COMMITTEE ON LAW & JUSTICE

Majority Report: That Substitute Senate Bill No. 5769 be substituted therefor, and the substitute bill do pass.

Signed by Senators Roach, Chair; Johnson, Vice Chair; Fairley, Goings, Long and McCaslin.

Staff: Aldo Melchiori (786-7439)

Background: Businesses who use merchandise pallets and/or beverage crates in their normal course of operation suffer nearly \$1 million in losses each year due to the misappropriation of the pallets and crates. It is estimated that in each shipment where these items are used, one quarter of the merchandise pallets and/or beverage crates are not returned to the owner.

A vibrant secondary market exists for the purchase and resale of these misappropriated items.

Prosecution of persons found in possession of the misappropriated merchandise pallets and/or beverage crates has historically been unsuccessful because it has been difficult to prove ownership of the pallets and/or crates.

Summary of Bill: The definitions of "merchandise pallet" and "beverage crate" are added to the definitions section which precedes the theft statutes and the possessing stolen property statutes.

Theft of ten or more merchandise pallets, ten or more beverage crates or a combination of ten or more merchandise pallets and beverage crates is theft in the third degree, a gross misdemeanor.

Possessing ten or more stolen merchandise pallets, ten or more stolen beverage crates or a combination of ten or more stolen merchandise pallets and stolen beverage crates is possessing stolen property in the third degree, a gross misdemeanor.

A person found in possession of ten or more stolen merchandise pallets, ten or more stolen beverage crates or a combination of ten or more stolen merchandise pallets and stolen beverage crates is presumed to know that the property is stolen. This presumption is rebuttable by evidence raising a reasonable inference that the possession was without knowledge that the property was stolen.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Theft of merchandise pallets and beverage crates costs local businesses in the neighborhood of \$1 million each year. The average life of a merchandise pallet is estimated to be nine deliveries. The actual life due to theft is around three deliveries. Darigold spends \$1.5 million annually on crates and pallets. This is not a minor annoyance, but rather an expensive theft problem. In-house security has not stopped the problem.

Testimony Against: None.

Testified: David Michener, Washington State Softdrink Association; Dan Coyne, Darigold; Dick Ducharme, Beer & Wine Distributors Association; Mike Gerke.

House Amendment(s): The House amendment is a technical format change that does not affect the substance of the bill.