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## SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair  
2025 - 2026 Regular Session

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### SB 966 (Gonzalez) - Refinery and chemical plants

**Version:** March 25, 2026  
**Urgency:** No  
**Hearing Date:** May 4, 2026

**Policy Vote:** L., P.E. & R. 4 - 1  
**Mandate:** No  
**Consultant:** Robert Ingenito

**Bill Summary:** SB 966 would require an employer, in consultation with employees and employee representatives, to develop, implement, and maintain a written plan providing for employee participation in all process safety management elements, as specified.

**Fiscal Impact:** The Department of Industrial Relations (DIR) indicates that this bill could result in one-time administrative costs of \$300,000 to \$400,000 to complete rulemaking necessary to implement the bill (Occupational Health and Safety Fund).

**Background:** The Occupational Safety and Health Standards Board, within DIR's Division of Occupational Safety and Health (Cal/OSHA), is the only state agency authorized to adopt, amend, or repeal occupational safety and health standards or orders. Its mission is to promote, adopt, and maintain reasonable and enforceable standards that ensure a safe and healthful workplace. Among other responsibilities, the Standards Board (1) adopts and maintains standards, (2) considers petitions for new or revised standards proposed by any interested person, and (3) grants permanent variances from standards.

The Administrative Procedure Act governs the public hearing and adoption process. After a rulemaking action is deemed necessary, proposed standard changes are developed by either the Standard Board's staff or Cal/OSHA's staff, generally with the assistance and recommendations of an advisory committee. Advisory committees consist of representatives from industry, labor, the public, and other interested groups. If the changes are related to federal standards, the proposal is reviewed by Federal OSHA staff. The proposal is then scheduled for hearing at one of the Board's monthly meetings, so that written and oral testimony can be solicited. Following the public hearing, all testimony is returned to the originating staff for review. When all comments and testimony have been addressed by either modifying the proposal or providing a satisfactory explanation for rejection of suggested changes, the Standards Board's staff schedules the proposed standard for consideration and adoption at its next meeting. Following adoption, a copy of the rulemaking file is sent to the Office of Administrative Law (OAL) for approval. After approval the OAL transmits the standard to the Secretary of State for filing and the standard is published in Title 8 of the California Code of Regulations.

The Process Safety Management (PSM) Unit within Cal/OSHA is responsible for inspecting refineries and chemical plants that handle large quantities of toxic and flammable materials. Generally, refinery safety rules are built around the concept of process safety, which requires refineries to identify and fix hazards before accidents occur and to involve workers directly in investigations when they do. The first safety standard enforced by the PSM Unit was adopted in 1990 under the California Refinery

and Health Act and was substantially similar to the federal one. Following a 2012 chemical release and fire at the Chevron U.S.A. Inc. Refinery in Richmond, however Cal/OSHA and the Legislature moved to strengthen safety standards. Reports by Cal/OSHA, the U.S. Chemical Safety and Hazard Investigation Board, and the U.S. Environmental Protection Agency identified serious concerns about Chevron's PSM procedures and expressed the need for stronger preventative safeguards. On May 18, 2017, the Standards Board unanimously adopted an updated PSM standard that, among other things, requires refinery employers to conduct damage mechanism reviews, apply rigorous safeguard protection analyses, integrate human factors and culture assessments into safety planning, involve front-line employees in decision-making, and perform comprehensive process hazard analyses.

In 2024, the Legislature expanded the definition of "refinery" to include an establishment that produces gasoline, diesel fuel, aviation fuel, or biofuel through the processing of crude oil or alternative feedstock. Thus, the current PSM standard covers approximately 1,500 facilities in the state that handle or process certain hazardous chemicals, including 11 refineries which produce approximately two million barrels of crude oil per day into gasoline, diesel fuel, jet fuel, and chemical feedstocks.

In 2019, the Westin States Petroleum Association (WSPA) filed two lawsuits regarding the 2017 PSM safety standard. As part of a 2024 settlement to resolve these lawsuits, Cal/OSHA and the Standards board agreed to engage in rulemaking to amend the PSM safety standard in response to WSPA's concerns. Specifically, Cal/OSHA agreed to propose and to support amendments to the PSM standard that would (1) amend and clarify the definitions of highly hazardous material, major change, and employee representative, (2) amend and clarify the requirements pertaining to the Hierarchy of Hazard Control Analysis, and (3) amend and clarify, with respect to employee participation in PSM activities, how employers will allow for effective participation by employees engaged in such activities.

The revised standard must be adopted in accordance with the California Administrative Procedure Act. On November 28, 2025, the Standards Board published its notice of proposed rulemaking to amend the PSM standard. The first public hearing was held on January 15, 2026. The Standards Board is in the process of soliciting and responding to stakeholder feedback; the final completion date is unclear.

**Proposed Law:** This bill, among other things, would do the following:

- Require an employer, in consultation with employees and employee representatives, to develop, implement, and maintain a written plan to effectively provide for employee participation in all process safety management (PSM) elements.
- Require, on or before April 1, 2027, an employer, in consultation with employee and employee representatives, to develop and implement stop work procedures and procedures for reporting and responding to hazards, as specified.
- Require an employer to document specific information relating to a partial or complete shutdown of an operation or process and reports of hazards.

- Provide how employees who are and who are not represented by an authorized collective bargaining agent participate in the development of these plans and procedures.

**Related Legislation:**

- AB 3258 (Bryan, Chapter 978, Statutes of 2024) expanded the scope of the California Refinery and Chemical Plant Worker Safety Act of 1990 by revising the definition of “refinery” and directed the Standards Board to consider for adoption, regulations that implement process safety management standards for the revised definition of refinery, as specified.
- SB 1300 (Hancock, Chapter 519, Statutes of 2014) required every petroleum refinery employer to, every September 15, submit to the Cal/OSHA a full schedule for the following calendar year of planned turnarounds, and to inspect, test, and replace process materials and equipment, as specified. The bill also required a petroleum refinery employer, upon the request of Cal/OSHA, to provide onsite access and specified documentation.
- AB 3672 (Elder, Chapter 1632, Statutes of 1990) established the California Refinery and Chemical Plant Worker Safety Act of 1990, which includes process safety management standards to prevent or minimize the consequences of catastrophic releases of toxic, flammable, or explosive chemicals.

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