

THIRD READING

Bill No: SB 966
Author: Gonzalez (D)
Amended: 3/25/26
Vote: 21

SENATE LABOR, PUB. EMP. & RET. COMMITTEE: 4-1, 4/15/26
AYES: Smallwood-Cuevas, Cortese, Durazo, Laird
NOES: Strickland

SENATE APPROPRIATIONS COMMITTEE: 5-2, 5/14/26
AYES: Cervantes, Cabaldon, Grayson, Richardson, Wahab
NOES: Seyarto, Dahle

SUBJECT: Refinery and chemical plants

SOURCE: United Steelworkers District 12

DIGEST: This bill codifies specified provisions of the process safety management (PSM) safety standard related to employee participation in PSM activities. Specifically, this bill requires an employer, in consultation with employees and employee representatives, to develop, implement, and maintain a written plan providing for employee participation in all PSM elements, as specified.

ANALYSIS:

Existing law:

- 1) Requires, under the California Occupational Safety and Health Act, an employer to:
 - a) Furnish employment and a place of employment that is safe and healthful.
 - b) Furnish and use safety devices and safeguards, as well as adopt and use practices, means, methods, operations, and processes that are reasonably adequate to render employment and the place of employment safe and healthful.

- c) Do everything reasonably necessary to protect the life, safety, and health of employees. (Labor Code (LAB) §6300 et seq.)
- 2) Establishes the Division of Occupational Safety and Health (Cal/OSHA) within the Department of Industrial Relations (DIR) to, among other things, propose, administer, and enforce occupational safety and health standards. (LAB §6300 et seq.)
- 3) Establishes the Occupational Safety and Health Standards Board (Standards Board), within DIR, to promote, adopt, and maintain reasonable and enforceable standards that will ensure a safe and healthful workplace for workers. (LAB §140-147.6)
- 4) Prohibits an employee from being laid off or discharged for refusing to perform work in violation of prescribed safety standards, where the violation would create a real and apparent hazard to the employee or his or her fellow employees. Any employee who is laid off or discharged in violation of this right shall have a right of action for lost wages for the time the employee is without work as a result of the layoff or discharge. (LAB §6311)
- 5) Directs the Standards Board and Cal/OSHA, in accordance with the California Refinery and Health Standards Board Act of 1990, to promote worker safety through implementation of training and process safety management (PSM) practices in refineries and chemical plants and other facilities deemed appropriate. (LAB §7852(a))
- 6) Defines “refinery” as an establishment that produces gasoline, diesel fuel, aviation fuel, or biofuel through the processing of crude oil or alternative feedstock. (LAB §7853(c))
- 7) Defines “process safety management” as the application of management programs, which are not limited to engineering guidelines, when dealing with the risks associated with handling or working near hazardous chemicals. PSM is intended to prevent or minimize the consequences of catastrophic releases of acutely hazardous, flammable, or explosive chemicals. (LAB §7853(b))
- 8) Directs the Standards Board to adopt, by March 31, 2014, process safety management standards for refineries, chemical plants, and other manufacturing facilities, as specified. (LAB §7856(a))

- 9) Directs Cal/OSHA to propose, and the Standards Board to consider for adoption, regulations to implement PSM standards for refineries by January 1, 2026. (LAB §7856(b))
- 10) Requires PSM standards to include provisions that direct employers to, among other things:
 - a) Develop and maintain a compilation of written safety information to enable the employer and the employees operating the process to identify and understand the hazards posed by processes involving acutely hazardous and flammable material.
 - b) Perform a hazard analysis for identifying, evaluating, and controlling hazards involved in the process.
 - c) Develop and implement written operating procedures that provide clear instructions for safely conducting activities involved in each process consistent with process safety information.
 - d) Train employees, as specified.
 - e) Establish and implement written procedures and inspection and testing programs to maintain the ongoing integrity of process equipment. (LAB §7858-7868)

This bill:

- 1) Requires, in consultation with employees and employee representatives, an employer to develop, implement, and maintain a written plan to effectively provide for employee participation in all process safety management (PSM) elements.
- 2) Requires the plan to include provisions that provide for all of the following:
 - a) Effective participation by affected operating and maintenance employees and employee representatives, throughout all phases, in performing a process hazard analysis (PHA), damage mechanism review (DMR), hazard control analysis (HCA), management of change (MOC), management of organizational change assessment (MOOC), process safety culture assessment (PSCA), incident, investigations, safeguard protection analysis (SPA), and pre start-up safety review (PSSR).
 - b) Effective participation by affected operating and maintenance employees and employee representatives, throughout all phases, in the development, training, implementation, and maintenance of the PSM elements.
 - c) Access by employees and employee representatives to all documents or information developed or collected by the employer pursuant to these

provisions, including information that might be subject to protection as a trade secret.

- 3) Permits an authorized collective bargaining agent to select one or more employees to participate in any of the following:
 - a) Overall PSM program development and implementation planning.
 - b) A project safety management team or other activity taken pursuant to this section.
- 4) Provides that for employees who are not represented by an authorized collective bargaining agent, an employer shall establish effective procedures in consultation with employees for the selection of employee representatives.
- 5) Provides that these provisions shall not preclude an employer from requiring an employee or employee representative to whom information is made available to enter into a confidentiality agreement prohibiting them from disclosing information, as specified.
- 6) Requires, on or before April 1, 2027, an employer, in consultation with employees and employee representatives, to develop and implement all of the following:
 - a) Effective stop work procedures that ensure all of the following:
 - i. The authority of any employee, including an employee of a contractor, to refuse to perform a task if doing so could reasonably result in death or serious physical harm.
 - ii. The authority of any employee, including an employee of a contractor, to recommend to the operator in charge of a unit that an operation or process be partially or completely shut down based on a process safety hazard.
 - iii. The authority of the qualified operator in charge of a unit to partially or completely shut down an operation or process based on a process safety hazard.
 - b) Effective procedures to ensure the right of any employee, including an employee of a contractor, to anonymously report hazards. The employer shall respond in writing within 30 calendar days to written hazard reports submitted by an employee, an employee representative, contractor, employee of a contractor, or contractor employee representative. The employer shall prioritize and promptly respond to and correct hazards that present the potential for death or serious physical harm.

- 7) Requires an employer to document all of the following:
 - a) Recommendations to partially or completely shut down an operation or process.
 - b) Partial or complete shutdown of an operation or process.
 - c) Written reports of hazards and the employer's response

Background

Occupational Safety and Health Standards Board (Standards Board). The Standards Board, within Cal/OSHA, is the only agency in the state 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. The Standards Board consists of seven members appointed by the Governor. Two members are selected from labor, two members from management, one member from occupational safety, one member from occupational health, and one member from the general public. 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. To carry out its duties, the Standards Board holds monthly meetings throughout California.

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.

Process Safety Management (PSM). The 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. 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.¹

Western States Petroleum Association (WSPA) Lawsuit. In 2019, WSPA filed two lawsuits regarding the 2017 PSM safety standard (CCR §5789.1).² In a complaint filed in Sacramento Superior Court, WSPA alleged that the standard 1) did not meet requirements under the California Administrative Procedure Act; 2) was invalid; 3) was unenforceable because it was inconsistent with governing statutes; and 4) was neither reasonably necessary nor sufficiently clear.³ Additionally, in a complaint filed in the Eastern District of California, WSPA alleged that the standard was preempted by the National Labor Relations Act.⁴

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

¹ OSHSB, Process Safety Management for Petroleum Refineries. “[Initial Statement of Reasons](#)” 2025.

² OSHSB, Process Safety Management for Petroleum Facilities. “[Notice/Informative Digest](#)” 2025.

³ Western States Petroleum Association v. California Occupational Safety and Health Standards Board, California Division of Occupational Safety and Health, and California Environmental Protection Agency (Sacramento Super. Ct., Case No. 34-2019-00260210).

⁴ Western States Petroleum Association v. California Occupational Safety and Health Standards Board, et al. (E.D. Cal., Case No. 2:19-cv-1270)

to address WSPA's concerns. Specifically, Cal/OSHA agreed to propose and to support amendments to the PSM standard that would:

- Amend and clarify the definitions of highly hazardous material, major change, and employee representative;
- Amend and clarify the requirements pertaining to the Hierarchy of Hazard Control Analysis; and
- 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. It's unclear when the updated PSM standard will be adopted by the Standards Board and filed with the Secretary of State.

With respect to employee participation, the proposed amendments to the PSM standard would add a new means of fulfilling the employer's mandate to effectively provide for employee participation. An employer will allow for "effective participation" in a PSM element if the employer provides advance notice of the PSM activity and considers input provided by workers who participate in the PSM activity, including the employee representative. If the employer provides this advance notice, the employer is not required to delay a PSM activity because a union, or employees who are not unionized, fails to select an employee representative, or because a selected employee representative does not participate in the PSM activity. Furthermore, the proposed amendments require the selection process for employee representatives to be governed by the written employee-participation plan, as opposed to authorized collective bargaining agents selecting employee representatives.

This bill SB 966 would codify the current requirements for employee participation in PSM activities, before the Standards Board adopts an updated PSM safety standard. The language in SB 966 is from the 2017 standard and does not include the proposed "effective participation" language described above or the change in the process for selecting employee representatives.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee:

“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).”

SUPPORT: (Verified 5/14/26)

United Steelworkers District 12 (Source)
350 Bay Area Action
Asian Pacific Environmental Network Action
Bay Area Third Act
California Labor for Climate Jobs
Center for Community Action & Environmental Justice
Center on Race, Poverty & the Environment
Clean Earth 4 Kids
Climate Action Campaign at the Humboldt UU Fellowship
Climate Center, The
Communities for a Better Environment
Earth Ethics, INC.
Greenpeace USA
Oil and Gas Action Network
Physicians for Social Responsibility Los Angeles
San Francisco Bay Area Physicians for Social Responsibility
Sunflower Alliance

OPPOSITION: (Verified 5/14/26)

Western States Petroleum Association

ARGUMENTS IN SUPPORT:

According to the United Steelworkers District 12:

“California’s PSM standards for refineries cover approximately 1,500 facilities in the state and are intended to prevent accidental chemical releases. Following several preventable refinery disasters, including a massive fire at the Chevron Richmond Refinery in 2012 that endangered 19 workers’ lives and resulted in 15,000 Richmond residents seeking medical attention, OSHSB adopted updated PSM standards in 2017. Critically, these 2017 standards made California the nation’s leader in PSM reform, especially since federal PSM standards have not been meaningfully updated since 1992.

OSHSB's 2017 standards included requirements for employee participation in PSM activities, such as the ability for employees to select their own representatives, to refuse to perform tasks that could result in death or physical harm (i.e., stop work authority), and to shut down a process when dangerous conditions are observed. Due to a court challenge from the Western States Petroleum Association and subsequent settlement, OSHSB is now considering updated standards that would severely weaken these important regulations...

SB 966 safeguards critical worker protections by codifying specific worker representation and participation requirements. It is based on language from the 2017 PSM standards, which were developed through a robust stakeholder process including Labor representatives, scientists, and environmental health leaders. SB 966 will ensure that workers retain the right to choose their own representatives for PSM activities and that landmark protections including stop work procedures, the right to anonymously report hazards, and the right to access PSM information are protected from regulatory rollback.”

ARGUMENTS IN OPPOSITION:

According to the Western States Petroleum Association:

“SB 966 would signal that even carefully negotiated settlements can be overridden at any time through subsequent legislation discouraging future good-faith dispute resolution among regulated entities, workers, and state agencies...

While SB 966 is largely redundant in the sense that it would adopt by statute language currently contained in the PSM and CalARP regulations, it nevertheless includes a provision the agencies agreed to modify as part of the WSPA settlement. Specifically, Section (b) would allow an “authorized collective bargaining agent” to unilaterally select employees to participate in the development of process safety programs and in various process safety activities.

Under the WSPA settlement, this provision would be replaced in its entirety with the following: “The written employee-participation plan will determine how employees are selected to participate in overall PSM program development and implementation planning and to participate in PSM teams and other activities, pursuant to this section.” This change was necessary to provide clarity for the regulated community and avoid a conflict between the PSM regulations and the National Labor Relations Act (NLRA), which preempts state regulations that intrude upon collective bargaining. Because employee participation in safety

programs is a mandatory subject of collective bargaining, Section (b) of SB 966 is preempted.

Moreover, if SB 966 becomes law, the Standards Board would be unable to adopt the agreed-upon language deferring to the written employee-participation plan, because any such regulations would conflict with state law. This, in turn, would trigger WSPA's right to terminate the settlement and resume litigation."

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