

Date of Hearing: August 5, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 966 (Gonzalez) – As Amended March 25, 2026

Policy Committee: Labor and Employment

Vote: 5 - 2

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill requires an employer consult with employees to develop and implement a written plan to provide for employee participation in all process safety management (PSM) elements.

Specifically, this bill:

- 1) Requires an employer, in consultation with employees and employee representatives, to develop and implement a written plan to effectively provide for employee participation in all PSM elements.
- 2) Allows an authorized collective bargaining agent to select one or more employees to participate in overall PSM program development and implementation planning and a PSM team or other related activity, and requires an employer, in consultation with employees, to establish effective procedures for employees not represented by an authorized collective bargaining agent to select employee representatives for these purposes.
- 3) Requires an employer, by April 1, 2027, in consultation with employees and employee representatives, to develop and implement effective stop work procedures and procedures for an employee to anonymously report hazards and an employer to respond to hazards.

FISCAL EFFECT:

One-time costs ranging from approximately \$300,000 to \$400,000 to the Occupational Safety and Health Standards Board (OSHSB) to complete rulemaking necessary to implement this bill's PSM procedures (Occupational Health and Safety Fund).

To the extent this bill requires OSHSB to adopt regulations contrary to provisions of a recent related PSM settlement agreement reached with the opponent to this bill, this bill may result in additional litigation costs of an unknown amount to the state if the opponent renews its previous legal challenge (special fund).

COMMENTS:

- 1) **Purpose.** According to the author:

California's [PSM] standards exist for one reason: to prevent the kind of catastrophe that struck the Chevron Richmond Refinery in 2012, when a preventable fire endangered 19 workers and sent roughly

15,000 nearby residents seeking medical attention. In response, and after a robust stakeholder process that included refinery workers, scientists, and environmental health leaders, the [OSHSB] adopted landmark updates in 2017. Now, under pressure from refineries, new regulations have been proposed that will weaken these hard-won protections. SB 966 will simply codify the existing regulations, ensuring that workers have a voice and can choose their own representatives for safety management activities at refineries.

- 2) **PSM Standard.** The California Refinery and Chemical Plant Worker Safety Act of 1990 requires OSHSB and the Division of Occupational Safety and Health (Cal/OSHA) to promote worker safety through implementation of training and PSM practices in refineries, chemical plants, and other appropriate facilities. Following a 2012 chemical release at the Chevron refinery in Richmond, the OSHSB adopted an updated PSM standard in 2017 that required refinery employers to conduct damage mechanism reviews, applied rigorous safeguard protection analyses, integrated human factors and culture assessments into safety planning, and involved front-line employees in decision-making, among other provisions.

In 2019, the Western States Petroleum Association (WSPA) filed two lawsuits against the OSHSB's 2017 PSM standard. As part of a 2024 settlement agreement to resolve the lawsuits, Cal/OSHA and OSHSB agreed to engage in rulemaking to amend the PSM standard in response to WSPA's concerns. Cal/OSHA agreed to amend and clarify: (a) the definition of certain terms, including an employee representative, (b) the requirements pertaining to the Hierarchy of Hazard Control Analysis, and (c) how an employer must allow for effective participation by employees engaged in PSM activities. OSHSB is currently in the process of soliciting and responding to stakeholder feedback to the revised PSM standard. This bill codifies provisions of OSHSB's 2017 PSM standard regarding employee participation in the development and implementation of the PSM program.

- 3) **Support and Opposition.** This bill is sponsored by the United Steelworkers District 12, which argues, "Refinery workers are on the front lines of hazards and have direct expertise in [PSM] – they deserve to have a seat at the table in discussions about safe operations within the refineries and chemical plants they work in every day." This bill is also supported by other labor organizations and environmental justice groups.

This bill is opposed by WSPA, which argues this bill "seeks to legislatively override a settlement agreement" so that OSHSB "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."

Analysis Prepared by: Irene Ho / APPR. / (916) 319-2081