

SENATE THIRD READING
SB 966 (Gonzalez)
As Amended March 25, 2026
Majority vote

SUMMARY

Codifies state regulations on process safety management (PSM) for petroleum refineries to provide for effective participation in all PSM elements by affected operating and maintenance employees.

Major Provisions

- 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 PSM elements. The plan shall 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, damage mechanism review, hazard control analysis, management of change, management of organizational change assessment, process safety culture assessment, incident, investigations, safeguard protection analysis, and pre start-up safety review.
 - b) Effective participation by affected operating and maintenance employees and employee representatives, throughout all phases, in the development, training, implementation, and maintenance of the process safety management 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.
- 2) 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 PSM team or other activity taken pursuant to these provisions.
- 3) Requires the employer, for employees who are not represented by an authorized collective bargaining agent, to establish effective procedures in consultation with employees for the selection of employee representatives.
- 4) Provides that this bill does not preclude the employer from requiring an employee or employee representative to whom information is made available pursuant to 1) c) above to enter into a confidentiality agreement prohibiting them from disclosing information, as specified.
- 5) 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.
- c) An employer shall document all of the following:
 - i) Recommendations to partially or completely shut down an operation or process.
 - ii) Partial or complete shutdown of an operation or process.
 - iii) Written reports of hazards and the employer's response.

COMMENTS

Employee engagement helps prevent safety incidents

During its investigation of the Chevron fire, the U.S. Chemical Safety and Hazard Investigation Board (CSB) noted that the refinery workers had expressed concerns regarding sulfidation corrosion (which caused the fire) and other safety issues but their concerns were largely ignored by Chevron managers.¹ Further, during a 2011 California Division of Occupational Safety and Health (Cal/OSHA) investigation of unsafe worker conditions at one of the Richmond plants, the investigator noted that the employees stated that "operators get ignored." It was also noted that these employees had informed their supervisors of corrosion concerns.

The lack of employee participation in PSM was particularly damaging in the case of the 2012 fire because Chevron's refinery workers had considerable knowledge about sulfidation corrosion. Some of its workers had even authored industry papers on sulfidation corrosion and had significant influence in the development of the industry sulfidation corrosion recommended practice.²

In 2019, the CSB reviewed four catastrophic incidents, including the Chevron fire, that spanned four states. The incidents took place at an explosives manufacturing site, a chemical production

¹ CSB, Chevron Richmond Refinery Regulatory Report October 2014.

² *Ibid.*

facility, and two oil refineries. In each of their investigations, the CSB "found that worker participation programs were inadequate, despite the existence of federal regulations and industry standards."³

According to the Author

According to the author, "California's process safety management 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 Occupational Safety and Health Standards Board 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. It does not implement any new regulations on refineries – it simply protects existing safety regulations that refineries have been subject to since 2017. SB 966 is a commonsense safety measure that will safeguard these essential protections from regulatory rollback, protect workers' rights, and prevent disasters that endanger workers, communities, and our gasoline supply chain."

Arguments in Support

A coalition of worker and environmental organizations, including United Steelworkers District 12, are in support and state, "By enacting SB 966, California can ensure that workers continue to have the right to choose their own representatives in process safety activities, anonymously report hazards, access important PSM information, and utilize stop-work procedures when conditions become unsafe. Workers in refineries and other high-hazard facilities are often the first to recognize operational dangers and have invaluable firsthand knowledge about process safety. Their voices should remain central to decisions about workplace safety and refinery operations."

Our organizations and members know that when industrial accidents occur, the harms extend far beyond the facility gates. Surrounding residents, especially low-income communities and communities of color located near refineries and chemical plants, often bear the health, environmental, and economic consequences of toxic releases, fires, and explosions. Ensuring that workers have a meaningful role in identifying hazards and preventing unsafe conditions is an essential part of protecting both workers and neighboring communities."

Arguments in Opposition

The Western States Petroleum Association is opposed and states, "In 2019, [the Western States Petroleum Association (WSPA)] filed two lawsuits challenging a limited number of specific provisions in the oil refinery PSM regulations and the California Accidental Release Prevention (CalARP) program. The primary purpose of these lawsuits was to ensure the PSM regulations provide clear guidance to employers, do not conflict with other legal requirements, and effectively enhance refinery safety. With respect to the employee participation requirements,

³ CSB, Safety Digest "The Importance of Worker Participation," September 4, 2019.

WSPA challenged certain provisions because they lack clarity, would undermine safety, and are preempted by the National Labor Relations Act.

After years of negotiations, in September 2024 WSPA reached a settlement with Cal/OSHA, the California Environmental Protection Agency (CalEPA), and the Cal/OSHA Standards Board. Under the settlement, the agencies agreed to propose certain modifications to the regulations to address some, but not all, of WSPA's concerns. These proposals were required to undergo the full public rulemaking process, and the agencies did not commit to ultimately adopting any of the modifications. However, if the agencies do not adopt the agreed-upon changes, WSPA has the option to renew its litigation.

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."

FISCAL COMMENTS

According to the Assembly Appropriations Committee,

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).

VOTES

SENATE FLOOR: 30-9-1

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Choi, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares
ABS, ABST OR NV: Dahle

ASM LABOR AND EMPLOYMENT: 5-2-0

YES: Ortega, Elhawary, Kalra, Lee, Ward

NO: Alanis, Chen

ASM APPROPRIATIONS: 11-4-0

YES: Wicks, Arambula, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache

NO: Hoover, Dixon, Ta, Tangipa

UPDATED

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