DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: 03/25/2026
POSITION: Oppose
BILL NUMBER: SB 966
AUTHOR: Gonzalez, Lena

BILL SUMMARY: Refinery and chemical plants.

This bill requires refinery and chemical plant employers, in consultation with employees and employee representatives, to develop, implement, and maintain a plan for effective employee participation in all process safety management (PSM) elements, as specified.

FISCAL SUMMARY

The Department of Industrial Relations (DIR) estimates that the Occupational Safety and Health Standards Board will incur one-time costs of $105,000 from the Occupational Safety and Health Fund to promulgate the regulations that would be needed to implement this bill.

The Department of Finance notes that DIR is currently engaged in the rulemaking process for regulations involving process safety management for petroleum refineries. These regulations are being promulgated in response to court-approved resolution in two pending lawsuits. Given this bill includes provisions that may conflict with the draft regulations underway, Finance notes this bill could result in cost pressures of an unknown but likely significant magnitude if litigation is filed against the state in response to the enactment of this legislation.

COMMENTS

Finance is opposed to this bill because:

- The bill creates costs not included in the 2026 Budget Act.
- DIR is already in the process of adopting related regulations, which may be undermined by the changes included in this bill.
- The bill may drive cost pressures for the state to the extent litigation is filed in response to the legislation.

Existing law establishes the California Refinery and Chemical Plant Worker Safety Act of 1990, which establishes PSM standards to reduce, if not eliminate, the risks workers face at petroleum refineries, chemical plants, and other related manufacturing facilities.

DIR issued related draft regulations for process safety management for petroleum refineries in response to court-approved resolution of two pending lawsuits. The public comment period for these regulations closed on January 15, 2026.

This bill:

- Requires employers to develop, implement, and maintain a plan that provides for employee

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Governor's Office:	By:	Date:	Position Approved________ Position Disapproved

COMMENTS (continued)

participation in all PSM elements, including access by employees and employee representatives to documents and information developed or collected by the employer for PSM standards, including information that might be protected as a trade secret.

- Authorizes collective bargaining representatives to select one or more employees to participate in the overall PSM program development and planning, as well as any PSM standards team or activity.
- Requires employers to consult with employees not represented through collective bargaining to establish effective procedures for the selection of employee representatives.
- Clarifies that employers are not precluded from requiring confidentiality agreements for trade secret information.
- Requires an employer to develop and implement effective stop work procedures and whistleblower processes on or before April 1, 2027, and in consultation with employees and employee representatives.
- Requires employers to document the partial or complete shutdown of an operation or process, recommendations for any partial or complete shutdown, written reports of hazards, and the employer's response to such hazards.

Code/Department Agency or Revenue Type	SO LA CO RV	PROP 98	FC	(Fiscal Impact by Fiscal Year) (Dollars in Thousands) 2026-2027	FC	2027-2028	FC	2028-2029	Fund Code
7350/DIR	SO	No	C	50	C	55	C	0	3121

Fund Code	Title
3121	Occupational Safety and Health Fund