

AMENDED IN ASSEMBLY JUNE 18, 2014

AMENDED IN SENATE APRIL 21, 2014

SENATE BILL

No. 1300

Introduced by Senator Hancock
(Principal coauthor: Assembly Member Skinner)

February 21, 2014

An act to amend Section 7870 of, and to add Section 7872 to, the Labor Code, relating to refineries.

LEGISLATIVE COUNSEL'S DIGEST

SB 1300, as amended, Hancock. Refineries: turnarounds.

Existing law, the California Refinery and Chemical Plant Worker Safety Act of 1990, states that its purpose is to prevent or minimize the consequences of catastrophic releases of toxic, flammable, or explosive chemicals. ~~Existing law~~ *The act* provides for the adoption by the *Occupational Safety and Health Standards Board* of specified process safety management standards for, among others, refineries that handle acutely hazardous material. ~~Existing law~~ *The act* declares the intent of the Legislature for, among others, *for the standards board and the Division of Occupational Safety and Health, Health* to promote worker safety through implementation of training and process safety management, as defined, in refineries and other facilities as deemed appropriate. A violation of the act is a crime.

This bill would require every petroleum refinery employer to, every September 15, submit to the division a full schedule *for the following calendar year* of planned turnarounds, meaning a planned, periodic shutdown of a refinery process unit or plant to perform maintenance, overhaul, and repair operations and to inspect, test, and replace process materials and equipment, ~~for the following calendar year, as specified.~~

~~Upon the request of the division, the *as specified*. The bill would also require a petroleum refinery employer, upon the request of the division, to provide access on-site onsite and provide the division with specified documentation relating to a planned turnaround within a certain period of time, as provided.~~

~~Existing law requires the division to annually fix and collect reasonable fees for consultation, inspection, adoption of standards, and other duties conducted pursuant to the act, and requires all revenue collected from these fees to be deposited into the Occupational Safety and Health Fund. Existing law requires the fees to be sufficient to support, at a minimum, the annual cost of 15 positions and requires the fees to be adopted by March 15, 2014.~~

~~This bill would instead authorize the Department of Industrial Relations to fix and collect reasonable fees to cover all necessary expenses, including administrative and indirect costs, for consultation, inspection, adoption of standards, participation in interagency efforts to improve safety in refineries and chemical plants, and other duties conducted pursuant to this act. This bill would require the Director of Industrial Relations to adopt reasonable rules and regulations governing the criteria and procedures to fix and collect the fees, including emergency regulations as necessary.~~

~~This bill would require the Director of Industrial Relations to recoup the full costs of extraordinary expenditures from the owner of a refinery by adding the amount expended to the next year's assessment for that facility as a result of the division's response to a hazardous material release or similar occurrence at a petroleum refinery.~~

~~This bill would authorize the department to hold in reserve any unexpended funds as a contingency fund for expenditures required by an emergency response to a hazardous material release or other emergency situation an unexpended funds, as provided.~~

~~Because a violation of the bill's requirements would be a crime, the bill would impose a state-mandated local program.~~

~~The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.~~

~~This bill would provide that no reimbursement is required by this act for a specified reason.~~

~~Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.~~

The people of the State of California do enact as follows:

1 ~~SECTION 1. Section 7870 of the Labor Code is amended to~~
2 ~~read:~~

3 ~~7870. (a) Notwithstanding the availability of federal funds to~~
4 ~~carry out the purposes of this part, the department may fix and~~
5 ~~collect reasonable fees to cover all necessary expenses, including~~
6 ~~administrative and indirect costs, for consultation, inspection,~~
7 ~~adoption of standards, participation in interagency efforts to~~
8 ~~improve safety in refineries and chemical plants, and other duties~~
9 ~~conducted pursuant to this part. All revenue collected from these~~
10 ~~fees shall be deposited into the Occupational Safety and Health~~
11 ~~Fund. The expenditure of these funds shall be subject to~~
12 ~~appropriation by the Legislature in the annual Budget Act. The~~
13 ~~director shall adopt reasonable rules and regulations governing the~~
14 ~~criteria and procedures to fix and collect the fees and to implement~~
15 ~~this section, including emergency regulations as necessary. All~~
16 ~~regulations previously adopted by the division pursuant to this~~
17 ~~section shall remain in effect until repealed or amended by the~~
18 ~~director.~~

19 ~~(b) The emergency regulations adopted pursuant to this section~~
20 ~~shall be adopted by the director in accordance with Chapter 3.5~~
21 ~~(commencing with Section 11340) of Part 1 of Division 3 of Title~~
22 ~~2 of the Government Code. The adoption of these regulations is~~
23 ~~an emergency and shall be considered by the Office of~~
24 ~~Administrative Law necessary for the immediate preservation of~~
25 ~~the public peace, health, safety, and general welfare.~~

26 ~~(c) If, as a result of the division's response to a hazardous~~
27 ~~material release or similar occurrence at a petroleum refinery, the~~
28 ~~division is required to make extraordinary expenditures, including,~~
29 ~~but not limited to, transportation, meals, lodging, overtime, or~~
30 ~~other costs, the director shall recoup the full costs of such~~
31 ~~expenditures from the owner of the refinery by adding the amount~~
32 ~~expended to the next year's assessment for that facility. The~~
33 ~~director shall provide the owner of the refinery with an accounting~~
34 ~~of the costs for which reimbursement is being sought.~~

35 ~~(d) In the event the funds collected pursuant to this section are~~
36 ~~not fully expended by the department in carrying out its duties~~
37 ~~pursuant to this part, the balance shall be carried forward and may,~~
38 ~~in the department's discretion, be credited against the subsequent~~

1 year's assessment or held in reserve as a contingency fund for
2 expenditures required by an emergency response to a hazardous
3 material release or other emergency situation.

4 ~~SEC. 2.~~

5 *SECTION 1.* Section 7872 is added to the Labor Code, to read:

6 7872. (a) ~~For the purposes of As used in~~ this section,
7 "turnaround" means a planned, periodic shutdown, total or partial,
8 of a refinery process unit or plant to perform maintenance,
9 overhaul, and repair operations and to inspect, test, and replace
10 process materials and equipment. "Turnaround" does not include
11 unplanned shutdowns that occur due to emergencies or other
12 unexpected maintenance matters in a process unit or plant.
13 "Turnaround" also does not include routine maintenance, where
14 routine maintenance consists of regular, periodic maintenance on
15 one or more pieces of equipment at a refinery process unit or plant
16 that may require shutdown of such equipment.

17 (b) Every September 15, every petroleum refinery employer
18 shall submit to the division a full schedule of planned turnarounds
19 ~~for the various~~ *all affected* units for the following calendar year.

20 (c) At the request of the division, at least 60 days prior to the
21 shutdown of a process unit or plant as part of a planned turnaround,
22 a petroleum refinery employer shall provide access onsite and
23 allow the division to review and receive copies of, or, at the
24 division's discretion, submit in physical format or in electronic
25 format if available electronically, the following documentation for
26 the process unit or plant scheduled to be shut down for that
27 turnaround:

28 (1) ~~Corrosion~~ *All corrosion* reports and risk-based inspection
29 reports generated since the last turnaround.

30 (2) ~~Process Hazard Analyses~~ *hazard analyses* generated since
31 the last turnaround.

32 (3) Boiler permit schedules.

33 (4) All management of change records related to repairs, design
34 modifications, and process changes implemented since the last
35 turnaround or scheduled to be completed in the planned turnaround
36 referenced in this subdivision and identified in subdivision (b).

37 (5) Work orders scheduled to be completed in the planned
38 turnaround referenced in this subdivision and identified in
39 subdivision (b).

1 (6) ~~Temporary~~—All temporary repairs made since the last
2 turnaround, including, but not limited to, clamps and
3 encapsulations. ~~For the purposes of~~ As used in this section,
4 “temporary repairs” ~~shall be defined as~~ means repairs made to
5 piping systems in order to restore sufficient integrity to continue
6 safe operation until permanent repairs can be scheduled.

7 (d) The division may request additional information as necessary
8 to perform its responsibilities in this part pursuant to Section 6314.

9 (e) At the request of the division, at least 30 days ~~prior to~~ before
10 the shutdown of a process unit or plant as part of a planned
11 turnaround, a petroleum refinery employer shall provide access
12 onsite and allow the division to review and receive copies of, or,
13 at the division’s discretion, submit in physical format or in
14 electronic format if available electronically, notification and
15 description of any changes to the information or documents
16 provided pursuant to subdivision (c) and relevant supporting
17 documents.

18 (f) By agreement with a petroleum refinery employer, the
19 division may modify the reporting period as to any individual item
20 of information.

21 (g) This section is not intended to limit or increase the division’s
22 authority in Part 1 (commencing with Section 6300) to prohibit
23 use of a place of employment, machine, device, apparatus, or
24 equipment or any part thereof that constitutes an imminent hazard
25 to employees.

26 ~~(h) The division shall develop an electronic information~~
27 ~~management system to facilitate monitoring of petroleum refineries~~
28 ~~pursuant to this section.~~

29 (i)

30 (h) The Legislature finds and declares *that* the purpose of this
31 section is to improve the ability of the state to conduct inspections
32 of petroleum refining operations.

33 ~~SEC. 3.~~

34 *SEC. 2.* No reimbursement is required by this act pursuant to
35 Section 6 of Article XIII B of the California Constitution because
36 the only costs that may be incurred by a local agency or school
37 district will be incurred because this act creates a new crime or
38 infraction, eliminates a crime or infraction, or changes the penalty
39 for a crime or infraction, within the meaning of Section 17556 of
40 the Government Code, or changes the definition of a crime within

- 1 the meaning of Section 6 of Article XIII B of the California
- 2 Constitution.

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