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California Makes Minor Changes to Climate Disclosure Statutes



Almost a year ago, California enacted three statutes requiring climate-related disclosures: the Climate Corporate Data Accountability Act ([SB 253](#)), the Climate-Related Financial Risk Act ([SB 261](#)), and the Voluntary Carbon Market Disclosure Act ([AB 1305](#)).^[1]

- SB 253 requires public and private companies with annual revenue exceeding \$1 billion that do business in California to (1) disclose Scope 1 and 2 greenhouse gas emissions starting in 2026 (for 2025 emissions) or on a date set by the California Air Resources Board (CARB) and (2) disclose Scope 3 emissions starting in 2027 (for 2026 emissions) and no later than 180 days after Scope 1 and 2 disclosures.
- SB 261 requires public and private companies with annual revenues exceeding \$500 million that do business in California to submit biennial financial risk reports consistent with the Task Force on Climate-Related Financial Disclosures (TCFD), with the first report due January 1, 2026.
- AB 1305 requires companies doing business in California that are involved in marketing, selling, or purchasing voluntary carbon offsets to make certain disclosures. It also requires disclosures from companies that make claims regarding achievement of net zero emissions, significant reduction in greenhouse gas emissions, or carbon neutrality.

The California Legislature recently enacted [SB 219](#), which makes the following changes:

- **Extending the deadline for CARB regulations.** SB 253 required CARB to publish emission disclosure regulations by January 1, 2025. SB 219 extends that deadline by six months to July 1, 2025.
- **Allowing some flexibility on the Scope 3 emissions deadline.** SB 219 makes no change in the 2026 deadline for disclosing Scope 1 and 2 emissions and continues to require Scope 3 emission disclosures in 2027. However, it eliminates the requirement that Scope 3 disclosures occur within 180 days of a party's Scope 1 and 2 disclosures, which authorizes CARB to set an initial deadline in late 2027.
- **Authorizing consolidated reporting.** SB 219 authorizes the reporting required in SB 253 to be made at the parent-company level rather than requiring subsidiaries to provide separate reports. SB 261 already

allowed parent-company reporting.

- **Providing CARB more flexibility.** SB 253 and SB 261 required CARB to contract with an emissions reporting organization to receive required disclosures and to prepare various reports. SB 219 gives CARB the flexibility to contract with an organization or take responsibility for those tasks itself.

SB 219 does not address the carbon offset and climate claims reporting requirements found in AB 1305. There has been some confusion about disclosure due dates under AB 1305. The bill became effective on January 1, 2024, but did not specify a date by which disclosures must be made. Last year, the bill's sponsor, Assembly Member Jesse Gabriel, sent a [letter](#) to the chief clerk of the Assembly indicating his intention that disclosures be due on January 1, 2025. Assembly Member Gabriel introduced [AB 2331](#) during the recent legislative session, which would have established a July 1, 2025, effective date, among other things. However, the legislature did not pass the bill before the session closed.

Endnote

[1] SB 253 and SB 261 have been challenged in *Chamber of Commerce of the United States of America v. California Air Resources Board*, No 2:24-cv-00801 (C.D. Cal.).

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