

**Alert | Environmental, Social & Governance (ESG)/  
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## **California Legislature Considers Bill That Would Delay Implementation of Historic Climate Disclosure Laws**

On Aug. 13, 2024, California State Sen. Scott Weiner introduced proposals to [Senate Bill \(SB\) 219](#) that would delay implementation of California's historic emissions and climate-related financial risk corporate disclosure laws.

Signed into law in 2023, SB 253 and SB 261 establish greenhouse gas (GHG) emission and climate-related financial risk reporting requirements for corporations that meet certain criteria. SB 253, in particular, tasks the California Air Resources Board (CARB) with promulgating regulations to implement the bill's emissions disclosure program by Jan. 1, 2025. Specifics about each of the two laws can be found in a previous [GT Alert](#).

As currently proposed, SB 219 would give CARB six additional months to finalize its rules under SB 253, pushing the rulemaking deadline to July 1, 2025. The bill also proposes to eliminate the filing fee requirement for corporations reporting their GHG emissions. Further, under SB 219, CARB would have the option, but not the requirement, to contract with an outside organization to develop a program by which the required disclosures would be made public. Finally, the bill would authorize any corporate disclosures to be consolidated at the parent company level.

In addition to the proposed changes to SB 253, California Sen. Henry Stern also proposes amending SB 261, which requires subject corporations to disclose climate-related financial risks. The proposed amendments to SB 261 would alter the filing fee for the disclosures as well as make it optional for CARB to work with an outside organization to prepare a report on the disclosures.

These proposed amendments come on the heels of an ongoing federal lawsuit from industry groups, including the U.S. Chamber of Commerce and California Chamber of Commerce, that challenges the laws' constitutionality. The court is set to hear dispositive motions from both parties in September 2024, at which point further implementation activities could be paused depending on the court's ruling. This is in addition to the similar reporting rule proposed by the Securities and Exchange Commission that has been paused after facing significant challenges regarding the legality of climate-related corporate disclosures.

Even with these attempts to clarify and streamline the reporting requirements, there may be more proposed amendments in the coming legislative sessions, especially depending on the outcome of the federal case. However, given the push on both a state and federal level to increase transparency and reporting on GHG emissions, all companies doing business in California, including those that sell products to entities subject to these requirements and which may be required to provide information pursuant to these laws, may wish to monitor these developments and consider creating action plans to comply with California and federal requirements if and when they take effect.

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