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#DeloitteESGNow — California Climate Legislation Update — Reporting Deadlines Remain Unchanged Under SB-219

Background

On September 27, 2024, California Governor Gavin Newsom signed into law California state senate bill [SB-219](#),¹ which amends portions of Sections 38532 and 38533 of the California Health and Safety Code that were established upon the passage of California state senate bills [SB-253](#)² and [SB-261](#).³ SB-253 and SB-261 require certain public and private U.S. companies that perform certain business activities in California to disclose their greenhouse gas (GHG) emissions and climate-related financial risks, respectively.⁴

Key Changes Under SB-219

SB-219 **does not delay the reporting deadlines** under SB-253 or SB-261. The two-year delay sought by Governor Newsom was rejected, and thus the reporting deadlines remain unchanged. Accordingly:

- Entities within the scope of SB-261 must prepare and make available on their public Web sites a climate-related financial risk report by January 1, 2026.

¹ SB-219, *Greenhouse Gases: Climate Corporate Accountability: Climate-Related Financial Risk*.

² SB-253, *Climate Corporate Data Accountability Act*.

³ SB-261, *Greenhouse Gases: Climate-Related Financial Risk*.

⁴ See Deloitte's October 10, 2023 (last updated December 19, 2023), [Heads Up](#) for more information about SB-253 and SB-261.



Connecting the Dots

To comply with the January 1, 2026, deadline under SB-261, entities that will be adopting the recommendations developed by the Task Force on Climate-Related Financial Disclosures should begin preparing information about climate-related governance, strategy, risk management, and metrics and targets, including Scope 1 and Scope 2 emissions, for their climate-related financial risk report. Note that SB-261 does not include an assurance requirement.

- Entities within the scope of SB-253 must publicly disclose and obtain limited assurance over their Scope 1 and Scope 2 emissions starting in 2026, on or by a date to be determined by the California Air Resource Board (CARB), for the prior fiscal year.

SB-219 amends the following Section 38532 provisions:

Original SB-253 Requirements	Key SB-219 Amendments
Does not indicate whether reporting entities within its scope may provide emission disclosures at the consolidated-parent-company level.	Authorizes reporting entities to consolidate emission disclosures at the parent-company level. Under SB-219, a subsidiary of a parent company that qualifies as a reporting entity is not required to prepare separate disclosures if they are included in a parent-entity emissions report.
Requires CARB to develop and adopt regulations for the reporting of GHG emissions by January 1, 2025.	Delays to July 1, 2025, the deadline for CARB to develop and adopt regulations for the reporting of GHG emissions.
Requires reporting entities under SB-253 to publicly disclose their Scope 3 emissions starting in 2027 (for the prior fiscal year) no later than 180 days after they disclose their Scope 1 and 2 emissions publicly.	Requires entities to disclose their Scope 3 emissions on a schedule specified by CARB. Gives CARB the discretion to establish a schedule for an entity's submission of Scope 3 emission disclosures in 2027.

SB-219 should help reduce the financial burden of complying with SB-253 by allowing (1) entities to provide a consolidated parent-company-level emission disclosure report and (2) CARB to establish a schedule for Scope 3 emission reporting. Permitting consolidated parent-level emission disclosures aligns with the provisions in SB-261 under which a consolidated parent-level climate-related financial risk report could be used to satisfy reporting requirements.

Legal Challenges

Legal challenges to SB-253 and SB-261 are ongoing. The plaintiffs in *Chamber of Commerce of the United States of America v. California Air Resource Board* (filed in January 2024) assert that SB-253 and SB-261 “unlawfully attempt to regulate speech related to climate change” and that the bills violate the First Amendment as well as other federal laws. They are asking the U.S. District Court for the Central District of California to declare SB-253 and SB-261 null and void, with no force or effect. However, SB-253 and SB-261 will remain in effect pending the resolution of such legal challenges.

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