

Ninth Circuit Pauses California Climate-Risk-Reporting Law, Lets Climate Corporate Data Accountability Act Proceed

NOVEMBER 21, 2025

On November 18, 2025, the Ninth Circuit Court of Appeals ruled to temporarily stay implementation of California SB 261, the state's corporate climate-related financial risk reporting law, while an appeal is pending related to an industry group-led challenge to the law. In the short ruling, the Ninth Circuit denied the motion to stay implementation of the companion bill, the Climate Corporate Data Accountability Act (also referred to as SB 253). Oral argument on the appeal is scheduled for January 9, shortly after the first deadline under SB 261, which is January 1, 2026. Meanwhile, SB 253's first deadline is not until June 30, 2026 (with the recent indication that this will likely be pushed back to August 10, 2026). As such, the difference in the ruling may simply reflect the difference in deadlines.

Below we provide a short summary of where both laws currently stand and discuss what companies should consider following the Ninth Circuit ruling.

CURRENT STATUS OF CALIFORNIA CLIMATE LAWS

While the California Air Resources Board (CARB) was required to issue regulations by July 1, 2025, it has not yet done so. Instead, it has hosted public webinars and published guidance materials, including a checklist and FAQ document.

[1]

SB 261 (Climate-Related Financial Risks). In light of the Ninth Circuit's November 18, 2025, order, enforcement of SB 261, including the January 1, 2026, reporting deadline, is currently stayed. Prior to the stay, CARB had indicated it would create a centralized public docket on December 1, 2025, for covered entities to post the location of their publicly available climate-risk reports, with the docket to remain open through July 1, 2026, and had acknowledged that initial reports submitted by January 1, 2026, could cover either FY 2023–2024 or FY 2024–2025, depending on the filer's reporting calendar. CARB has not issued formal guidance on compliance timing if the stay is lifted.

CARB has indicated that with respect to this first report under SB 261, it will consider good-faith compliance efforts and the timing of those efforts, which may be relevant if the law is ultimately allowed to move forward without providing additional time to comply. The law includes a biennial reporting requirement, meaning updated reports would need to be filed every other year.

SB 253 (Climate Corporate Data Accountability Act). For now, SB 253's implementation has not been stayed. If that holds, the first emissions disclosures under SB 253 will be required in 2026. Initially, reports of Scope 1 and Scope 2

emissions^[2] were planned to be required by June 30, 2026, but CARB has indicated it plans to push this back to August 10, 2026, given its delay in publishing implementing regulations. Meanwhile, reporting on Scope 3 emissions^[3] is expected to begin in 2027. Entities must obtain limited assurance from a third-party assurance provider regarding their Scope 1 and Scope 2 emissions beginning in 2026,^[4] with a progression to reasonable assurance in 2030. The timeline for third-party assurance related to Scope 3 emissions has not yet been determined, although limited assurance is expected to be required between 2027 and 2030.

CONSIDERATIONS RELATED TO STAY OF SB 261

Under the Ninth Circuit order, SB 261's climate-related financial risk reporting requirement, with a first deadline of January 1, 2026, is on hold unless and until the stay is lifted. Absent action from CARB to revise the deadline, companies could face a sudden reporting requirement if the stay is lifted. For companies that are in the process of drafting their reports under SB 261, it would be prudent to either continue that process while the law is stayed or else progress to a natural stopping point where it would be easy to pick up drafting again if needed.

Meanwhile, SB 253 remains in full effect and is moving forward to its first-year emissions disclosure deadline. Although it is possible that the stay will later be extended to SB 253, companies should not assume or rely on that outcome.

Companies should closely monitor the ongoing litigation and regulatory developments as they continue preparations for the 2026 compliance deadlines.

For further information or questions about the California climate bills, please contact your Winston & Strawn relationship attorney or the authors of this post.

[1] Most recently, CARB issued an online [notice](#) indicating its intent to initiate formal rulemaking in the first quarter of 2026.

[2] Scope 1 emissions are direct GHG emissions from an entity's owned/controlled assets and operations, regardless of location. Scope 2 emissions are indirect GHG emissions associated with an entity's purchased power or heating.

[3] Scope 3 emissions are indirect upstream and downstream GHG emissions associated with others in an entity's value chain (both upstream and downstream), including, for example, GHG emissions associated with purchased goods and services or the transportation thereof. <https://www.winston.com/en/blogs-and-podcasts/winston-and-the-legal-environment/newly-enacted-california-climate-bills-create-sweeping-disclosure-requirements-for-companies-across-the-country>.

[4] In a recent webinar, CARB suggested they may not require limited assurance for Scope 1 and 2 emissions until reporting in 2027.

4 Min Read

Authors

[Madeline Barone](#)

[Sam Falcon Trimbach](#)

Related Topics

Climate Change

Sustainability

Related Capabilities

Related Professionals

Madeline Barone



Sam Falcon Trimbach

This entry has been created for information and planning purposes. It is not intended to be, nor should it be substituted for, legal advice, which turns on specific facts.