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Looking Beyond California Climate Laws as New York Bills Advance

California has moved corporate climate disclosure out of the policy arena and into the compliance system. That shift offers the clearest way to read both California's regime and the New York bills that come closest to copying it.

California did not just pass ambitious climate statutes. It built a legal structure that forces large companies to answer a harder question: Can they produce defensible greenhouse gas and climate-risk disclosures on a state-law timetable, using methods that regulators can administer and assurance providers can test?

California's two principal statutes, S.B. 253 and S.B. 261, were passed in 2023, but feature key compliance deadlines in 2026. They now appear in Health and Safety Code Sections 38532 and 38533.^[1]

New York's pending proposals track that structure closely — using the same high-revenue thresholds, the same doing-business jurisdictional hook and the same Greenhouse Gas Protocol methodology — though the state has not yet enacted them.

Where the two regimes converge most sharply is on Scope 3 emissions, which expose the gap between a reporting commitment and a working data system, and on assurance, which transforms climate disclosure from a communications exercise into a controls project requiring audit-ready documentation, independent review and board-level governance.

For companies operating across both states, the central question is no longer whether state-law climate disclosure can become mandatory — California answered that — but whether to build reporting systems for one state or for a multistate future in which California's model continues to travel.

New York has pushed that model farther than most states, though only partway. The New York Senate has passed an emissions-disclosure bill, while climate-risk proposals remain in committee.

California's framework no longer looks like a one-state experiment. Other legislatures are testing it as a template.[2]

California Moved First

S.B. 253 and S.B. 261 impose threshold tests, reporting duties, deadlines and public disclosure requirements. They force companies to decide whether they are covered, how they will collect the required information, who will vet it and how they will support it.[3] Climate disclosure changes once it enters a compliance system. At that point, a company must have internal controls, entity-level scoping, finance and legal review, supplier-data systems, and an assurance strategy that can withstand scrutiny.

Many jurisdictions discuss climate disclosure, but California built the machinery. California also split the field into two mandates, instead of folding every duty into one environmental, social and governance statute.

Section 38532 covers greenhouse gas emissions, requiring annual disclosure of Scope 1 and Scope 2 emissions beginning in 2026, and Scope 3 emissions beginning in 2027, subject to regulations adopted by the California Air Resources Board.

Section 38533 covers climate-related financial risk, requiring covered companies with more than \$500 million in annual revenue that do business in California to prepare a biennial climate-related financial risk report. That requirement took effect Jan. 1.[4]

That two-bill structure remains the most important feature of the California model. Greenhouse gas accounting and climate-risk narrative disclosure are related, but they demand different systems, expertise and controls.

Companies often stumble when they run both through one generic ESG program. California separated them, and New York lawmakers have proposed a similar split — but the state has not yet enacted it. [5]

New York Parallels

New York's pending proposals are the closest current state analogue to California's framework, but they are not yet law.

The clearest example is S.9072-A, the Climate Corporate Data Accountability Act, which the New York Senate passed on Feb. 10. The bill now sits in the Assembly Committee on Codes.[6]

S.9072-A would apply to a business entity that does business in New York within the meaning of Tax Law Section 209 and that has total revenues above \$1 billion in the prior fiscal year, including revenues received by subsidiaries that do business in the state.

Covered entities would publicly disclose Scope 1, Scope 2 and Scope 3 emissions to an emissions reporting organization designated or contracted by the New York Department of Environmental Conservation.[7]

The bill reads like a compliance regime, rather than a policy statement. It relies on phased reporting, a required methodology, interoperability across reporting frameworks, staged assurance, public reporting infrastructure and calibrated enforcement.

It would require the DEC to adopt regulations by Dec. 31, 2027. Scope 1 and Scope 2 disclosures would begin in 2028, with Scope 3 disclosures beginning in 2029.[8]

The bill would require reporting under the Greenhouse Gas Protocol, including the Corporate Accounting and Reporting Standard and the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. It also permits primary data, secondary data, industry averages, proxy data and other generic data in Scope 3 calculations. [9]

The bill would also allow companies to submit reports prepared to satisfy other state, national or international requirements, including reports prepared under the IFRS Foundation Sustainability Disclosure Standards issued by the International Sustainability Standards Board, so long as those reports satisfy the statute's requirements.[10]

That feature could reduce duplication for companies already building systems for overlapping mandates, though it also raises a practical question: whether crosswalked reports will satisfy New

York's timing, scoping and assurance demands.

On assurance, S.9072-A would require an independent third-party engagement. For Scope 1 and Scope 2, limited assurance would begin in 2028, and reasonable assurance in 2032.

For Scope 3, the DEC must review assurance trends by Jan. 1, 2028, and may impose an assurance requirement. If it does, limited assurance would begin in 2032.^[11] The larger point is clear: Assurance is part of the reporting system, not an optional add-on.

On enforcement, the New York attorney general could seek penalties of up to \$100,000 per day for willful noncompliance, capped at \$500,000 per reporting year. The bill shields Scope 3 misstatements made with a reasonable basis and disclosed in good faith, and it limits Scope 3 penalties between 2029 and 2032 to nonfiling.^[12]

The bill would also require a public digital platform for company-specific and aggregated multiyear disclosures, and it would require reporting entities to account for acquisitions, divestments, mergers and other structural changes in a manner consistent with the Greenhouse Gas Protocol.^[13]

The financial-risk side remains more fragmented. One broader Senate climate risk proposal, S.3697, as amended, would require climate-related financial risk reporting from covered entities with more than \$500 million in annual revenue that do business in New York, with public reporting beginning Jan. 1, 2028. That bill remains in the Senate Finance Committee.

A separate pair of bills, S.5132 and A.7195, would apply more narrowly to certain corporations supervised by the New York Department of Financial Services, with annual reporting beginning on or before Dec. 31, 2026. Those bills remain in committee. None has passed both chambers, and none has been signed into law.^[14]

Why Parallels Matter

The parallels between New York's emissions bill and California's emissions-disclosure law are plain. Both use high-revenue thresholds and a doing-business jurisdictional concept, require

public disclosure and ground emissions reporting in recognized accounting frameworks.

New York's bill expressly references the Greenhouse Gas Protocol, including the Corporate Value Chain standard for Scope 3 accounting.^[15] That choice matters because methodology turns climate disclosure into compliance.

New York's interoperability provision adds another dimension. It shows lawmakers expect a world of overlapping frameworks, and want to reduce duplication rather than create an isolated reporting silo.

Scope 3 Bites

The hardest compliance pressure falls on Scope 3, because it exposes the gap between a reporting commitment and a working data system.

Scope 3 depends on supplier data, customer use patterns, proxy methodologies and estimation assumptions. A company that has not mapped its value chain, assigned data ownership and built a defensible calculation approach will not solve that problem at the end of a reporting cycle.

S.9072-A reflects that reality. It delays Scope 3 reporting by one year, permits proxy and industry-average data, limits early penalties to nonfiling, and shields good-faith Scope 3 misstatements from civil action.^[16] Those features reduce immediate litigation exposure, but they do not reduce the operational burden.

Assurance Changes Everything

Assurance is where climate reporting stops being a communications project and becomes a controls project. Once independent review enters the system, companies must do more than publish emissions numbers. They must support them.

Legal and compliance teams focus on definitions, disclosure controls and consistency with other public statements. Finance teams demand audit-ready documentation. Procurement teams invest in supplier engagement and contracting. Boards focus on

governance, escalation and oversight.

The bill's assurance-provider qualifications reinforce that shift. Third-party providers must have significant experience in measuring, analyzing, reporting or attesting to greenhouse gas emissions, must be competent under professional standards and applicable legal requirements, and must remain independent from the reporting entity and its affiliates.[17]

Practical Takeaway Today

For regulated businesses, the practical question is no longer whether state-law climate disclosure can become mandatory in the U.S. California answered that.[18] The harder question is whether companies should build systems for one state only, or for a multistate future in which California's model travels.

That question carries more force, because New York has already advanced a California-style emissions bill through one chamber, and continues to consider companion climate risk proposals.[19]

So, companies that build reporting systems for California alone may find that the harder compliance problem lies not in any one statute, but in the spread of the template from state to state. For more information, please contact the author or any attorney with the firm's [Environmental Practice Group](#).

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[1] Health & Safety Code §§ 38532, 38533. Section 38532 is codified as the Climate Corporate Data Accountability Act; Section 38533 governs climate-related financial risk reporting.

[2] New York Senate Bill S.9072-A passed the Senate on Feb. 10, 2026, by a 40-22 vote and was delivered to the Assembly, where it was referred to Assembly Codes; S.3697, as amended, remains in Senate Finance; S.5132 remains in Senate Banks; and A.7195 remains in Assembly Corporations, Authorities and Commissions.

[3] Health & Safety Code §§ 38532(c), 38533(b)-(f).

[4] Health & Safety Code § 38532(b)(2), (c)(1)–(2), (c)(2)(F); id. § 38533(a)(4), (b)(1). Section 38532 applies to entities with revenue exceeding \$1 billion that do business in California, requires Scope 1 and Scope 2 disclosure starting in 2026 and Scope 3 starting in 2027, and uses the Greenhouse Gas Protocol. Section 38533 applies to covered entities with revenue exceeding \$500 million that do business in California and requires biennial climate-related financial risk reports beginning Jan. 1, 2026.

[5] 9072–A would create a greenhouse gas emissions disclosure regime, while S.3697, as amended, and S.5132/A.7195 would create distinct climate risk reporting obligations. None of those New York proposals has been enacted.

[6] Y. S.9072–A, Actions and Votes (Feb. 10, 2026).

[7] Y. S.9072–A, proposed Env'tl. Conserv. Law art. 74 (definition of “reporting entity”).

[8] Y. S.9072–A, proposed Env'tl. Conserv. Law § 74–0102(1)(a)(i).

[9] Y. S.9072–A, proposed Env'tl. Conserv. Law § 74–0102(1)(a)(iii).

[10] Y. S.9072–A, proposed Env'tl. Conserv. Law § 74–0102(1)(a)(iv).

[11] Y. S.9072–A, proposed Env'tl. Conserv. Law § 74–0102(1)(a)(vi).

[12] Y. S.9072–A, proposed Env'tl. Conserv. Law § 74–0102(4). The official A–amendment text reflects the Scope 3 penalty limitation period as 2029 through 2032.

[13] Y. S.9072–A, proposed Env'tl. Conserv. Law § 74–0102(1)(a)(v), (3)(a).

[14] Y. S.3697, as amended, proposed Env'tl. Conserv. Law art. 77; N.Y. S.5132; N.Y. A.7195. The broader Senate proposal applies to entities with more than \$500 million in annual revenue that do business in New York and would require public reporting beginning Jan. 1, 2028. S.5132 and A.7195 apply to certain corporations subject to DFS supervision with at least \$500 million in annual gross revenues and would require annual reporting beginning on or before Dec. 31, 2026.

[15] Health & Safety Code § 38532(c)(2)(A)(ii); N.Y. S.9072–A, proposed Env'tl. Conserv. Law § 74–0102(1)(a)(iii).

[16] Y. S.9072-A, proposed Env'tl. Conserv. Law § 74-0102(1)(a)(i), (iii), (4)(b)-(c).

[17] Y. S.9072-A, proposed Env'tl. Conserv. Law § 74-0102(1)(a)(vi)(4).

[18] Y. S.9072-A, proposed Env'tl. Conserv. Law § 74-0102(1)(a)(iv), (vi), (4)(b)-(c).

[19] Y. S.9072-A, Actions and Votes; N.Y. S.3697, as amended; N.Y. S.5132; N.Y. A.7195.

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