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SEC Retreats on Climate Rules, but Not in California

Companies should not mistake the U.S. Securities and Exchange Commission's (SEC) retreat from federal climate disclosure rules for a retreat by California.

On May 29, 2026, the SEC proposed rescinding the climate-related disclosure rules it adopted in March 2024. The proposal appeared in the Federal Register on June 3, and the comment period closed August 3. The SEC has not adopted a final rescission rule. The 2024 rules also remain stayed while litigation proceeds in the U.S. Court of Appeals for the Eighth Circuit.

Whatever happens at the SEC, California's Climate Corporate Data Accountability Act, commonly known as SB 253, remains a separate compliance obligation. SB 253 requires qualifying U.S.-formed business entities with more than $1 billion in annual revenue that do business in California to report greenhouse gas emissions. *Cal. Health & Safety Code* § 38532.

Federal Proposal Does Not Change SB 253

The SEC proposal concerns federal securities disclosure requirements applicable to SEC registrants. It does not amend, suspend, or rescind California's SB 253.

That distinction matters for both public and private companies. A company may ultimately face no climate-specific reporting obligation under the SEC's 2024 rules and still qualify as a reporting entity under SB 253. California applies its own statutory coverage requirements, and the California Air Resources Board (CARB) administers the state program independently of the SEC.

Companies therefore should continue their California compliance work regardless of the SEC rulemaking.

First California Deadline Is Approaching

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CARB currently identifies November 10, 2026, as the deadline for the first SB 253 reports. The inaugural reporting requirement covers Scope 1 and Scope 2 greenhouse gas emissions. Scope 3 reporting begins in a later reporting cycle. *Cal. Health & Safety Code* § 38532(c).

CARB has also provided first-year reporting flexibility. Consistent with its December 2024 enforcement notice and subsequent reporting guidance, a reporting entity may rely for the inaugural report on Scope 1 and Scope 2 emissions information that it possessed or was collecting as of December 5, 2024.

Companies preparing for the November 10 deadline should continue following CARB's current reporting guidance and the compliance steps discussed in our prior SB 253 legal updates:

- CARB's New Climate-Disclosure Rule Drops Property and Payroll — and Catches More Companies
- CARB Opens Rulemaking on SB 253 and SB 261: Who's in Scope and What Happens in 2026?
- CARB Posts Draft SB 253 Scope 1 and 2 Reporting Template: What Regulated Companies Should Do Now

For guidance on approaching deadlines, SB 253 applicability, CARB's evolving requirements, or practical steps to strengthen your climate-disclosure compliance strategy, contact the author or any attorney with FBT Gibbons' Environmental practice group.

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