



Corporate Sustainability Update

October 2026

CARB's Final Climate Disclosure Rule Sets SB 253 Deadline, Leaves SB 261 Paused

The Bottom Line

California's climate disclosure rules are now final. On October 12, 2026, the Office of Administrative Law approved the California Air Resources Board's [\(CARB\) Initial Regulation](#), which took effect the same day. The final rule largely formalizes the changes CARB proposed in July 2026, turning months of proposals and guidance into binding requirements. For companies covered by SB 253, it locks in a November 10, 2026 deadline for first-year Scope 1 and Scope 2 emissions reports. It also makes certain changes impacting SB 261, although that law remains paused pursuant to a Ninth Circuit injunction.

What the Laws Require

As a refresher, SB 253 (the Climate Corporate Data Accountability Act) requires U.S.-organized businesses with more than \$1 billion in total annual revenue that do business in California to report their greenhouse gas emissions to CARB each year. Scope 1 and Scope 2 emissions reporting come first, and Scope 3 reporting follows in 2027. SB 261 (the Climate-Related Financial Risk Act) reaches a broader group: U.S.-organized businesses with more than \$500 million in total annual revenue that do business in California must publish a climate-related financial risk report every two years. SB 253 remains in effect, while SB 261 is on hold pending the Ninth Circuit appeal.

What's New in the Final Rule

- **SB 253's first deadline is set.** Scope 1 and Scope 2 reports are due November 10, 2026, three months

later than the previously adopted August 10 date, and no Scope 3 data is required this year.

- **First-year relief for SB 253 reporters is now codified.** For the 2026 report only, companies may rely on emissions data they already had or were collecting by December 5, 2024. A company without such data may instead file a statement on company letterhead.
- **A common applicability framework now governs both laws.** Each entity's revenue is measured individually, based on the lesser of its two prior fiscal years. Intercompany transactions between entities in the same combined reporting group are excluded, and certain entities are exempt.
- **Both programs now carry an annual fee.** CARB will calculate separate fees for SB 253 reporting entities and SB 261 covered entities. It will issue fee notices by December 10 each year and require payment within 60 calendar days of the notice date.
- **SB 261's timing remains unsettled.** The rule does not set an SB 261 reporting deadline, which is consistent with CARB's plan to provide an alternate reporting date once the Ninth Circuit appeal is resolved.

Next Steps

With the final rule in place, two near-term dates take center stage: November 10, 2026, when first-year SB 253 reports are due, and December 10, 2026, when CARB is expected to issue its first fee notices. To assist reporters, CARB has released [submittal guidance](#) and a voluntary [intake platform](#). SB 253 Scope 3 reporting will follow in 2027, and SB 261's timing will depend on the outcome of the Ninth Circuit appeal. Companies should assess whether the rule applies to them. Thompson Hine will continue to monitor developments.

FOR MORE INFORMATION

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