California Climate Disclosure Laws: Ninth Circuit Temporarily Pauses Climate Risk Reporting Law (SB-261)

Posted in: California Climate Disclosure Laws, Litigation
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The Ninth Circuit today issued an order temporarily pausing California's biennial climate risk reporting law (SB-261), the first reports under which are due January 1, 2026. The order does *NOT* similarly halt the annual GHG emissions reporting law (SB-253), which requires reporting later in 2026. During the California Air Resources Board's (CARB) public workshop today, staff proposed an August 10, 2026 reporting deadline for SB-253, delayed from the initial June 30, 2026 date due to its rulemaking process extending into Q1 2026.

Background

In August, the district court denied a preliminary injunction motion filed by a business coalition led by the U.S. Chamber of Commerce seeking to block both laws during the underlying First Amendment litigation.

In September, the coalition requested an injunction pending appeal from the Ninth Circuit, citing "imminent, irreparable harm" from the laws' rapidly approaching compliance deadlines. The coalition requested a ruling by November 3 to allow time for potential U.S. Supreme Court review.

Today's Ninth Circuit Ruling

The Ninth Circuit granted the coalition's motion for an injunction pending appeal, but **only for SB-261 (climate risk reporting)**. The motion was denied for SB-253

(GHG emissions reporting). **SB-261 enforcement is now paused while the Ninth Circuit considers whether to reverse the district court's August decision**.

The case is scheduled for oral argument on January 9, 2026 — after the January 1 compliance date — though this date could change or the court could decide on the briefs. During today's CARB workshop, staff indicated they are reviewing the order, and it remains unclear whether updated SB-261 guidance will be issued.

Pending Supreme Court Application

On November 10, the business coalition filed an emergency application with the U.S. Supreme Court seeking an injunction pending appeal for both laws. This request remains pending.

Separate Exxon Litigation

In late October, Exxon filed suit in the Eastern District of California challenging both laws on similar First Amendment grounds. The company also filed motions for a preliminary injunction and temporary restraining order, both concerning SB-261. Arguments on both motions are scheduled for December 4.

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