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State Climate Disclosure Bills – A Growing Trend?

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With the uncertainty plaguing the ultimate status of the SEC's climate disclosure rules on the federal level (we reported on the most recent developments in The SEC Votes to "End its Defense" of Climate Change Rules and SEC Asks Court to Put Climate Change Litigation on Hold), a number of U.S. states have continued to take up the mantle to mandate the disclosure of climate emissions from both public and private enterprises.

California was the first state to pass climate disclosure laws (discussed in previous client alerts – California – First State to Enact Climate Reporting Legislation and California Climate Disclosure Laws – New Developments, Old Timelines) and several states have since proposed similar bills requiring large business entities to disclose their greenhouse gas (GHG) emissions, the highlights of which are summarized below.

However, on April 8, 2025, President Trump issued an Executive Order directing the U.S. Attorney General to identify and stop the enforcement of all state laws, regulations, policies and practices "that are or may be unconstitutional, preempted by Federal law, or otherwise unenforceable," with a focus on prioritizing any such state laws purporting to address "climate change" or involving "greenhouse gas."

While it remains unclear whether any of the proposed state bills will pass into law in their current form, or at all, or if enacted, how they will be treated by the current Administration, the trend is noteworthy, and the regulated community should keep informed regarding the status of the proposed state bills.

I. New York

1. Senate Bill 3456 - The Climate Corporate Data Accountability Act[1]

Initially introduced in 2023 and reintroduced in the New York Senate in January 2025 as S3456, the Climate Corporate Data Accountability Act mandates reporting by entities meeting the following criteria:

- U.S.-formed entities;

- Doing business in the State of New York and deriving receipts from activity in the State;[2] and
- Having revenues in the preceding fiscal year exceeding $1 billion, including revenues received by all of the business entity's subsidiaries that do business in the State.

Reporting entities would be required to disclose their Scope 1, 2 and 3 GHG emissions annually to an emissions reporting organization. The disclosure timing differs from the California law in that disclosure on a reporting entity's Scope 1 and 2 emissions would be required a year later, beginning in 2027 (for 2026 data), and on Scope 3 emissions beginning in 2028 (instead of 2027). As in California, GHG emissions would need to be measured and reported using the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard developed by the World Resources Institute and the World Business Council for Sustainable Development (the GHG Protocol).

The New York State Department of Environmental Conservation would be required to adopt implementing regulations by the end of 2026.

The Senate Environmental Conservation Committee recently voted unanimously in favor of the bill which is now pending in the Senate Finance Committee.

2. Senate Bill 3697 – Climate-Related Financial Risk Reporting[3]

Introduced in January 2025, this bill is modeled on California's Climate-Related Financial Risk Reporting law (SB 261). The New York bill would require business entities formed under U.S. law with total annual revenues exceeding $500 million in its prior fiscal year and that do business in New York to prepare a climate-related financial risk report disclosing, on its website, by January 1, 2028 and biennially thereafter: (i) its climate-related financial risk, in accordance with the Task Force on Climate-Related Financial Disclosures framework or an equivalent reporting requirement; and (ii) the measures it adopted to reduce and adapt to the disclosed climate-related financial risk.

As in California, reports could be consolidated at the parent entity level. Administrative penalties for non-disclosure or for inadequate disclosure could be imposed up to a cap of $50K per reporting year.

The bill is currently with the Senate Environmental Conservation Committee.

The NY bills overlap with California's climate disclosure laws (SB 253 and SB 261) and, if adopted as drafted, should not impose material additional obligations on entities already subject to the California laws.

II. New Jersey – Senate Bill 4117[4]

S4117 (the "Climate Corporate Data Accountability Act") was introduced in 2025. The bill would require businesses operating in New Jersey with an annual revenue exceeding $1 billion to provide a report on their GHG emissions to the Department of Environmental Protection (DEP) and a nonprofit organization selected by the DEP annually, commencing three years after the bill's enactment; publicly disclose their Scope 1 and Scope 2 GHG emissions commencing four years after the bill's enactment; and publicly disclose their Scope 3 GHG emissions five years after the bill's enactment. As in California, GHG emissions would need to be measured and reported using the GHG Protocol.

Importantly, to ease compliance, the bill expressly would allow reporting entities to use reports they provide to the California state government under California's "Climate Corporate Data Accountability Act" (SB 253) to satisfy the provisions of the New York bill. Business entities that violate the bill's provisions would be liable for civil administrative penalties of up to $10,000 for the first offense, $20,000 for the second offense and $50,000 for the third and each subsequent offense. A reporting entity could also be liable for civil penalties of up to $10,000 per day of violation.

The bill is currently pending in the Senate Budget and Appropriations Committee.

III. Illinois House Bill 3673[5]

Introduced in the Illinois House in 2025, HB673 (the "Climate Corporate Accountability Act") would require U.S. business entities doing business in the state of Illinois, with revenues exceeding $1 billion, to annually disclose their Scope 1, 2 and 3 GHG emissions. These public reporting requirements would commence on January 1, 2027 for Scope 1 and 2 emissions and no later than 180 days thereafter for Scope 3 emissions. The Secretary of State would be required to develop and adopt relevant rulemaking before July 1, 2026. As in California, the emissions would need to be calculated using the GHG Protocol.

The bill references the Attorney General's right to bring a civil action to seek civil penalties but does not contain any specific penalties for non-compliance.

The bill is currently pending in the House Rules Committee.

IV. Washington – Senate Bill 6092[6]

E2SSB 6092 was introduced in the Washington Senate in 2024. This bill initially required business entities with over $1 billion in annual revenue and doing business in Washington to report Scope 1, 2 and 3 GHG emissions. However, the bill was later substituted to instead direct the Washington Department of Ecology to develop policy recommendations to address climate-related disclosure requirements in the State.

The Washington Senate passed the bill in February 2024 and the bill is currently with the House.

V. Colorado – House Bill 25-1119[7]

Introduced in January 2025, HB25-1119 would require entities doing business in Colorado and having total revenues exceeding $1 billion to disclose annually their Scope 1 and 2 emissions beginning in 2028, and certain Scope 3 emissions by 2029, with a phased-in approach in subsequent years based on the source of those Scope 3 emissions.[8]

Interestingly, HB25-1119 includes a freedom of speech exception noting that reporting entities would not be required to disclose any information in violation of their freedom of speech, including any freedom from compelled speech, guaranteed by the First Amendment to the U.S. Constitution or the Colorado State Constitution.

However, this bill has been postponed indefinitely by the House Committee on Energy & Environment.

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The intent of the state bills on climate disclosure is in line with the global trend toward mandated climate reporting, although the specifics of what needs to be disclosed, by whom and when, continue to evolve both domestically and globally. For example, the timing for certain required climate-related disclosures in the European Union has recently been delayed, as reported in our client alerts (A Step Closer to CSRD's Non-EU Group Reporting Standards and Momentum on Voting on the Omnibus Delay and Updating Corporate Sustainability Reporting Requirements), while President Trump's recent Executive Order calls into question the viability of U.S. state climate disclosure laws.

We will continue to update you on climate disclosure legislative developments on the state, federal and international fronts.

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