



June 13, 2025

The Speaker of the Assembly
Assemblymember Rivas
1021 O St. Ste. 8330
Sacramento, CA 95814

Assemblymember Gallagher
1021 O St. Ste. 4740
Sacramento, CA 95814

Assemblymember Flora
1021 O St. Ste. 4730
Sacramento, CA 95814

Senator Wiener
1021 O St. Ste. 8620
Sacramento, CA 95814

President Pro Tem
Senator McGuire
1021 O St. Ste. 7730
Sacramento, CA 95814

Assemblymember Gabriel
1021 O St. Ste. 8230
Sacramento, CA 95814

Senator Jones
1021 O St. Ste. 7640
Sacramento, CA 95814

Senator Niello
1021 O St. Ste. 7110
Sacramento, CA 95814

SUBJECT: Senate Proposed Trailer Bill Standardized Regulatory Impact Assessment (SRIA) and California Environmental Quality Act (CEQA) Exemptions for SB 253/261 Regulations

Dear Speaker Rivas, Pro Tem McGuire, Assembly Members Gallagher, Gabriel, Flora, and Senators Jones, Wiener, and Niello,

The California Chamber of Commerce (CalChamber) and the organizations listed below are strongly opposed to the Senate's proposed budget trailer bill that would exempt rulemakings for SB 253 (Wiener, 2023) and SB 261 (Stern, 2023) from Standardized Regulatory Impact Assessment (SRIA) and California Environmental Quality Act (CEQA) requirements.

The proposed trailer bill is an effort to strip away rulemaking transparency and accountability safeguards in the implementation of the two laws. Such an effort seems in direct contrast to the fact that both bills were driven by their authors' desire to see increased transparency and accountability in corporate climate

governance.¹ SB 253 and SB 261 were championed as landmark steps toward shining a public light on emissions and climate-related financial risks. Yet the proposed trailer bill seeks to keep the public, and those entities that will have to comply with the measures, in the dark about the real-world economic and environmental impacts that implementation of these two laws will bring.

Exempting SB 253 from SRIA and CEQA is fundamentally at odds with the author's expressed desire of providing "the **full picture** to make the deep emissions cuts that scientists tell us are necessary to avert the worst impacts of climate change..."² Similarly, exempting SB 261 from required economic and environmental analysis belies the press release announcing introduction of the bill as part of an **accountability** package intended to increase **transparency** around corporate emissions and investments.³ It is deeply ironic then to see the effort to exempt these bills from rulemaking transparency and accountability requirements. Stripping away SRIA and CEQA reviews in this context is damaging as it compromises the public's trust in the integrity of the rulemaking process.

The SRIA requirement was established to ensure that major regulations, those with over \$50 million in annual statewide economic impact, are backed by rigorous economic analyses. It allows the Department of Finance and other stakeholders to evaluate regulatory proposals for their effects on jobs, businesses, investment, and competitiveness. As the Legislative Analysts' Office has noted, SRIA "[has] increased the consistency of agencies' analyses and, as a result of the additional DOF oversight, agency analyses of proposed rules are often more robust and higher quality."⁴ CEQA, for its part, ensures that agencies evaluate the environmental impacts of their regulatory choices and consider reasonable alternatives.

To be clear, the economic impacts of SB 253 and SB 261, if implemented, will be profound. Initial estimates based on costs of reporting in other jurisdictions indicate that these rules are likely to have well over a billion dollars in annual direct compliance costs and administrative fees for reporting entities. Additionally, the bills will impose significant downstream costs on smaller entities that merely supply reporting entities (these smaller entities will have to track their own Scope 1, Scope 2, and Scope 3 emissions so that reporting entities can assess their own Scope 3 emissions). Those indirect costs may very well dwarf direct compliance costs. In this era of affordability concerns, what we do know is that much of these costs will be passed on to consumers in the form of higher prices on goods and services.

Given the significant costs of implementation, rigorous economic analyses are necessary for both SB 253 and SB 261 to provide a "full picture" of what the author of SB 253 has described as "transformational" legislation.⁵ It is unclear at this time whether the authors of SB 253 and SB 261 support exempting their transparency and accountability legislation from SRIA and CEQA, but doing so would be a grave disservice to Californians who deserve to know the economic and environmental impact of such "transformational" legislation.

¹ See Press Release "California Senators Announce Climate Accountability Package to Raise The Bar For Corporate Climate Action," February 6, 2023, (<https://sd11.senate.ca.gov/news/california-senators-announce-climate-accountability-package-raise-bar-corporate-climate-action>) (highlighting the bills as part of an **accountability** package intended to increase **transparency** around corporate emissions and investments).

² Press Release "Senator Wiener's First-In-The-Nation Climate Corporate Carbon Disclosure Bill Heads to the Governor," September 12, 2023, (<https://sd11.senate.ca.gov/news/senator-wieners-first-nation-climate-corporate-carbon-disclosure-bill-heads-governor>).

³ Press Release "California Senators Announce Climate Accountability Package to Raise The Bar For Corporate Climate Action," February 6, 2023, (<https://sd11.senate.ca.gov/news/california-senators-announce-climate-accountability-package-raise-bar-corporate-climate-action>)

⁴ Legislative Analyst's Office (LAO), "Improving California's Regulatory Analysis," p. 12 (February 3, 2017).

⁵ Press Release "Senator Wiener's First-In-The-Nation Climate Corporate Carbon Disclosure Bill Heads to the Governor," September 12, 2023, (<https://sd11.senate.ca.gov/news/senator-wieners-first-nation-climate-corporate-carbon-disclosure-bill-heads-governor>).

We respectfully urge you to reject these proposed exemptions and uphold California's commitment to transparent and accountable rulemaking.

Sincerely,



Jonathan Kendrick
Policy Advocate
On behalf of

African American Farmers of California, Shirley Rowe
Agricultural Council of California, Tricia Geringer
American Chemistry Council, Tim Shestek
American Council of Life Insurers, John Mangan
Association of California Life and Health Insurance Companies, John Mangan
Associated General Contractors, Peter Tateishi
BOMA California, Skyler Wonnacott
California Advanced Biofuels Alliance, Carlos Gutierrez,
California Bankers Associations, Chris Shultz
California Business Properties Association, Skyler Wonnacott
California Cement Manufacturers Environmental Coalition (CCMEC), Frank T. Sheets
California Chamber of Commerce, Jonathan Kendrick
California Citrus Mutual, Casey Creamer
California Cattlemen Association, Kirk Wilbur
California Cotton Ginners and Growers Association, Roger Isom
California Food Producers, Katie Little
California Grocers Association, Daniel Conway
California Life Science, Benjamin O'Brien
California Retailer Association, Sarah Pollo
California Trucking Associations, Nick Chiappe
Can Manufacturers Institute, Mike Smaha
Carlsbad Chamber of Commerce, Brett Schanzenbach
Colusa County Chamber of Commerce, Jack Cunningham
Dairy Institute of California, Katie Davey
Dana Pont Chamber of Commerce, Vickie McMurchie
Energy Infrastructure Council, Lori E. L. Ziebart
Greater Coachella Valley Chamber of Commerce, Brandon Marley
Greater High Desert Chamber of Commerce, Mark Creffield
International Sleep Products Association, Alison Keane
Insured Retirement Institute, Sarah E. Wood
La Cañada Flintridge Chamber of Commerce, Pat Anderson
Mission Viejo Chamber of Commerce, Dave Benson
Murrieta/Wildomar Chamber of Commerce, Patrick Ellis
NAIOP California, Skyler Wonnacott
National Association of Mutual Insurance Companies, Seren Taylor
Nisei Farmers League, Manuel Cunha, Jr.,
North San Diego Business Chamber of Commerce, Chris Thorne
Orange County Business Council, Amanda Walsh
Pacific Merchant Shipping Association, Jennifer Cohen

Palm Desert Area Chamber of Commerce, Patrick Klein
Paso Robles and Templeton Chamber of Commerce, Amy Templeton
Personal Insurance Federation of California, Seren Taylor
Plumbing Manufacturers International, Kerry Stackpole
Rancho Mirage Chamber of Commerce, James Brownyard
Roseville Chamber of Commerce, Amy Triplett
San Diego Regional Chamber of Commerce, Justine Murray
San Juan Capistrano Chamber of Commerce,
Santa Maria Valley Chamber of Commerce, Suzanne Singh
Securities Industry and Financial Markets Association, Joanne Bettencourt
Southwest California Legislative Council, Erin Sasse
The American Council of Life Insurers, John Mangan
Torrance Area Chamber of Commerce, Donna Duperron
Tri-County Chamber Alliance, John Marquez
Tulare Chamber of Commerce, Donnette Silva Carter
Walnut Creek Chamber of Commerce, Bob Linscheid
Western Growers Association, Matthew Allen
Western Tree Nut Association, Roger Isom
Wine Institute, Anna Ferrera
WSPA, Paul J. Deiro

cc: Legislative Affairs, Office of the Governor

JK:nr