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**State Water Resources Control Board**

**Increase in Priority Class B (Small Business) Average  
Annual Gross Receipts Limit**

Effective January 20, 2010, regulations enacted by the Department of General Services increased the average annual gross receipts limit for certification as a small business to fourteen million dollars (\$14,000,000), including annual gross receipts for all affiliates, as demonstrated on federal income tax returns. (Formerly, the limit was \$12,000,000.) Note: There is no change to the required employee count (a business, together with all affiliates, cannot exceed 100 employees). Your business still must also be independently owned and operated and not dominant in its field of operation. The Fund uses these criteria to establish a claimant's eligibility for placement into Priority Class B (Small Business).

If you submitted a claim that was denied Priority B classification because you exceeded the \$12 million threshold, but your average annual gross receipts did not exceed \$14 million, you may apply for assignment of your claim to Priority Class B by formally requesting a Fund Manager Decision (FMD). Refer to [Appeal Process to Request Change to Priority Class B](#) for further information. The documents submitted to support Priority B classification must be for the three years prior to date of application.