

(iii) is expended in compliance with a plan of proposed rehabilitation that has been approved by the Director; and

(iv) is not funded, financed, or otherwise reimbursed by any:

1. State or local grant;

2. grant made from the proceeds of tax-exempt bonds issued by the State, a political subdivision of the State, or an instrumentality of the State or of a political subdivision of the State;

3. State tax credit other than the tax credit under this section; or

4. other financial assistance from the State or a political subdivision of the State, other than a loan that must be repaid at an interest rate that is greater than the interest rate on general obligation bonds issued by the State at the most recent bond sale prior to the time the loan is made.

[(10)] (11) "Substantial rehabilitation" means rehabilitation of a structure for which the qualified rehabilitation expenditures, during the 24-month period selected by the individual or business entity ending with or within the taxable year, exceed:

(i) for owner-occupied residential property, \$5,000; or

(ii) for all other property, the greater of:

1. the adjusted basis of the structure; or

2. \$5,000.

(b) (1) The Director shall adopt regulations to:

(i) establish procedures and standards for certifying heritage structures and rehabilitations under this section;

(ii) for commercial rehabilitations, establish an application process for the award of initial credit certificates for Maryland heritage structure rehabilitation tax credits consistent with the requirements of this subsection; [and]

(III) FOR COMMERCIAL REHABILITATIONS, ESTABLISH CRITERIA, CONSISTENT WITH THE REQUIREMENTS OF THIS SUBSECTION, FOR EVALUATING, COMPARING, AND RATING PLANS OF PROPOSED REHABILITATION THAT HAVE BEEN DETERMINED BY THE DIRECTOR TO CONFORM WITH THE