After the last section, add the following and renumber sections and internal references accordingly:

"Sec. 501. Section 12-651 of the general statutes is amended by adding subsections (d) and (e) as follows (Effective October 1, 2010):

(NEW) (d) Notwithstanding the provisions of this chapter, any municipality having a population of less than twenty-five thousand may collect the tax imposed pursuant to this section on any material or product subject to such tax that is seized in such municipality by a law enforcement officer as a result of a lawful arrest of a dealer or a lawful search of the real or personal property of a dealer, provided (1) such tax is due and payable, (2) the chief of police of such municipality or, if such municipality does not have an organized police department, the chief elected official of such municipality, notifies the commissioner of such municipality's intent to collect such tax, and (3) the municipality complies with the provisions of subsection (e) of this section. The full
amount of any tax collected pursuant to this subsection may be retained by such municipality.

(NEW) (e) Before a municipality may collect any tax imposed pursuant to this section, the chief elected official of such municipality shall appoint one or more hearing officers, other than police officers or persons who work in the police department, to hear the petitions of aggrieved taxpayers and shall establish, by ordinance, a hearing procedure following the timelines and requirements set forth in section 12-553. The provisions of sections 12-553 and 12-554, adapted accordingly, shall apply to hearings before and appeals from a municipality under this section.

Sec. 502. Section 12-655 of the general statutes is amended by adding subsections (e) and (f) as follows (Effective October 1, 2010):

(NEW) (e) The amount of any tax, penalty and interest due to a municipality and unpaid under the provisions of this chapter shall constitute a lien upon any real estate owned by the dealer in the municipality collecting such tax, penalty and interest. Each such lien may be continued, recorded and released in the manner provided by the general statutes for continuing, recording and releasing property tax liens. Each such lien shall take precedence over all other liens filed after October 1, 2010, and encumbrances, except taxes, and may be enforced in the same manner as property tax liens.

(NEW) (f) Any municipality or municipal tax collector may exercise any authority granted pursuant to subsections (a) to (c), inclusive, of this section."