

How to Buy Then Sell a Car Impounded by the Police

A police auction can be a viable place to pick up a car for a fraction of its worth to rehabilitate and sell for profit. You get a real mix of cars at these auctions, from old heaps left by the side of the road to functional, decent cars seized due to driver infractions.

Steps:

1. Find out from your local police when the next auction is. Some departments hold auctions every month, running advertisements in newspapers or posting notices on their Internet site.
2. Arrive early for the inspection period to look over the vehicles up for bid. Auctions are frequently held at a commercial towing facility contracted by the police or at the police storage lot. You're allowed a few hours for inspection before cars go on the block.
3. Bring cash. Most sales are final, and the auction house may only accept cash or certified checks.
4. Bring a valid driver's license and proof of insurance, in case you make a winning bid and you need to pick up a temporary permit to drive the car home (permit regulations vary by locality).
5. Pay the nominal bidder registration fee, and save your bidder number to show the auctioneer when you make a bid. Bids are accepted only from registered bidders
6. Look for clues that the car was moving under its own power recently. Some police stickers, such as "driving with license suspended" (DWLS), may indicate it probably runs OK. Also be aware that impounded vehicles could have been sitting for a year or longer with no maintenance whatsoever.
7. Whip out a used-car price guide (like Kelley Blue Book) once you've seen the cars, and look up trade-in values of the vehicles up for bid. If you own a PDA with wireless Internet connection, get the vehicle identification number (VIN) and run a Carfax.com vehicle history report before you even think about bidding
8. Familiarize yourself with the rules of the auction before the bidding starts, so you don't miss out on a great car. For example, an absolute auction means there's no reserve (minimum) price, in which case a car might be picked up for an extremely low bid. Also, some auction houses charge a 5 to 15 percent buyer's premium on top of the bidding price.
9. Remember that when you bid for these cars, you're not likely to get any warranties or guarantees. In fact, the car you buy may not even start.

Overall Tips:

- An "as is, where is" sales clause basically means the auction can't be held responsible for misrepresentation or defect: You're knowingly bidding on potential junk.

Overall Warnings:

- Some auctions don't allow bidders to start up cars during inspection. Since you won't know if a vehicle runs, these auctions are a crap shoot.
- Some auctions don't allow owners to try to recover their own impounded cars by bidding on them instead of paying all the fines, towing and storage fees they owe.

What to look for:

- Monthly auctions
- Inspection period
- Used-car prices
- Auction rules