

alleged act or omission occurring within the scope of their employment or duties. However, the duty to save harmless and indemnify shall not apply to awards for punitive damages. The duty to save harmless and indemnify shall not apply and the municipality shall be entitled to restitution by an officer or employee if, in an action commenced by the municipality against the officer or employee, it is determined that the conduct of the officer or employee upon which the tort claim or demand was based constituted a willful and wanton act or omission. Any independent or autonomous board or commission of a municipality having authority to disburse funds for a particular municipal function without approval of the governing body shall similarly defend, save harmless and indemnify its officers, and employees and agents against such tort claims or demands.

The duty duties to defend, and to save harmless, and indemnify shall apply whether or not the municipality is a party to the action and shall include but not be limited to cases arising under title 42 United States Code section 1983.

In the event the officer or employee fails to cooperate in the defense against the claim or demand, the municipality shall have a right of indemnification against that officer or employee.

Approved March 2, 1982

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## CHAPTER 1019

### SALES AND USE TAX ON TRANSACTIONS INVOLVING TRADED PROPERTY

*S.F. 574*

**AN ACT** relating to the calculation of the sales, services, and use tax on transactions involving the trade-in of tangible personal property.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 422.42, subsection 6, paragraph b, Code 1981, is amended by striking the paragraph and inserting in lieu thereof the following:

b. That in transactions in which tangible personal property is traded toward the purchase price of other tangible personal property the gross receipts are only that portion of the purchase price which is payable in money to the retailer if the following conditions are met:

(1) The tangible personal property traded to the retailer is the type of property normally sold in the regular course of the retailer's business.

(2) The tangible personal property traded to the retailer is intended by the retailer to be ultimately sold at retail and will be subject to the tax under section 422.43 when sold.

Sec. 2. Section 423.1, subsection 3, Code 1981, is amended by striking the subsection and inserting in lieu thereof the following:

3. "Purchase price" means the total amount for which tangible personal property is sold, valued in money, whether paid in money or otherwise; provided:

a. That cash discounts taken on sales are not included.

b. That in transactions, except those subject to paragraph c, in which tangible personal property is traded toward the purchase price of other tangible personal property the purchase

price is only that portion of the purchase price which is payable in money to the retailer if the following conditions are met:

(1) The tangible personal property traded to the retailer is the type of property normally sold in the regular course of the retailer's business.

(2) The tangible personal property traded to the retailer is intended by the retailer to be ultimately sold at retail and will be subject to the tax under section 422.43 or this chapter when sold.

c. That in transactions between persons, neither of which is a retailer of vehicles subject to registration, in which a vehicle subject to registration is traded toward the purchase price of another vehicle subject to registration, the purchase price is only that portion of the purchase price represented by the difference between the total purchase price of the vehicle subject to registration acquired and the amount of the vehicle subject to registration traded.

Approved March 2, 1982

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## CHAPTER 1020

### NOTARY PUBLIC ACTION BEFORE 1970 LEGALIZED

*S.F. 2126*

**AN ACT** to change the date of legalization to 1970 for all defects and irregularities in those acts and instruments included in section 586.1.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 586.1, subsections 1, 2, 4, 6, 7, 8, and 9, Code 1981, are amended to read as follows:

1. Official acts performed before ~~1960~~ 1970 by notaries public during the time that they held over in office without qualifying after the expiration of the preceding term, if such notaries public have since qualified.

2. Acknowledgments taken before ~~1960~~ 1970 by notaries public outside their jurisdiction.

4. Acknowledgments of deeds, mortgages, school fund mortgages and contracts taken and certified before ~~1960~~ 1970 by any county auditor, deputy county auditor, or deputy clerk of the district court although such officer was not authorized to take such acknowledgments at the time they were taken.

6. Acknowledgments taken, certified, and recorded before ~~1960~~ 1970 in the proper counties, and which are defective only in the form of the certificate of the officer taking the acknowledgment or because made before an official not qualified to take such acknowledgment but who was qualified to take acknowledgments generally.

7. Acknowledgments taken outside the United States before ~~1960~~ 1970 by officers authorized by section 10092, Codes 1924 to 1939 and section 558.28, Code 1946 to and including the Code of 1966, to take such acknowledgments, whether or not a certificate of authenticity as provided by section 10093, Codes of 1924 to 1939 and section 558.29, Code 1946 to and including the Code of 1966, is attached to such instrument; and the certificate of acknowledgment of