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NOTE: Where it is feasible, a syllabus (headnote) will be released, as is being done in connection with this case, at the time the opinion is issued. The syllabus constitutes no part of the opinion of the Court but has been prepared by the Reporter of Decisions for the convenience of the reader. See *United States* v. *Detroit Timber & Lumber Co.*, 200 U. S. 321, 337.

SUPREME COURT OF THE UNITED STATES

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MARTIN, DIRECTOR, MICHIGAN DEPARTMENT OF CORRECTIONS, ET AL. *v.* HADIX ET AL.

CERTIORARI TO UNITED STATES COURT OF APPEALS FOR THE SIXTH CIRCUIT

No. 98–262. Argued March 30, 1999– Decided June 21, 1999

Respondent prisoners filed two federal class actions in 1977 and 1980 against petitioner prison officials challenging the conditions of confinement in the Michigan prison system under 42 U. S. C. §1983. By 1987, the plaintiffs had prevailed in both suits, the District Court for the Eastern District of Michigan had ruled them entitled to attorney's fees under §1988 for postjudgment monitoring of the defendants' compliance with remedial decrees, systems were established for awarding those fees on a semi-annual basis, and the District Court had established specific market rates for awarding fees. By April 26, 1996, the effective date of the Prison Litigation Reform Act of 1995 (PLRA), the prevailing market rate in both cases was $150 per hour. However, §803(d)(3) of the PLRA limits the size of fees that may be awarded to attorneys who litigate prisoner lawsuits. In the Eastern District, those fees are capped at a maximum hourly rate of $112.50. When first presented with the issue, the District Court concluded that the PLRA cap did not limit attorney's fees for services performed in these cases prior to, but that were still unpaid by, the PLRA's effective date, and the Sixth Circuit affirmed. Fee requests next were filed in both cases for services performed between January 1, 1996, and June 30, 1996, a period encompassing work performed both before and after the PLRA's effective date. In nearly identical orders, the District Court reiterated its earlier conclusion that the PLRA does *not* limit fees for work performed *before* April 26, 1996, but concluded that the PLRA cap *does* limit fees for services performed *after* that date. The Sixth Circuit consolidated the appeals from these orders, and, as relevant here, affirmed in part and reversed in part. It held that the PLRA's fee limitation does not apply

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to cases pending on the enactment date. If it did, the court held, it would have an impermissible retroactive effect, regardless of when the work was performed.

Held: Section 803(d)(3) limits attorney's fees for postjudgment monitoring services performed after the PLRA's effective date, but does not limit fees for monitoring performed before that date. Pp. 7–17.

(a) Whether the PLRA applies to cases pending when it was enacted depends on whether Congress has expressly prescribed the statute's temporal reach. *Landgraf* v. *USI Film Products*, 511 U. S. 244, 280. If not, the Court determines whether the statute's application to the conduct at issue would result in a retroactive effect. If so, the Court presumes that the statute does not apply to that conduct. *E.g., ibid.* P. 7.

(b) Congress has not expressly mandated §803(d)(3)'s temporal reach. The fundamental problem with petitioners' arguments that the language of §803(d)(1)– which provides for attorney's fees "[i]n *any* action *brought* by a prisoner who *is* confined" (emphasis added)– and of §803(d)(3)– which relates to fee "award[s]"– clearly expresses a congressional intent that §803(d) apply to pending cases is that §803(d) is better read as setting substantive limits on the award of attorney's fees, and as making no attempt to define the temporal reach of these substantive limitations. Had Congress intended §803(d)(3) to apply to all fee orders entered after the effective date, it could have used language that unambiguously addresses the section's temporal reach, such as the language suggested in *Landgraf*: "[T]he [PLRA] shall apply to all proceedings pending on or commenced after the date of enactment." 511 U. S., at 260 (internal quotation marks omitted). Pp. 7–9.

(c) The Court also rejects respondents' contention that the PLRA's fee provisions reveal a congressional intent that they apply *prospectively* only to cases filed after the effective date. According to respondents, a comparison of §802– which, in addressing "appropriate remedies" in prison litigation, explicitly provides that it applies to pending cases, §802(b)(1)– with §803– which is silent on the subject– supports the negative inference that §803 does *not* apply to pending cases. This argument is based on an analogy to *Lindh* v. *Murphy*, 521 U. S. 320, 329, in which the Court, in concluding that chapter 153 of the Antiterrorism and Effective Death Penalty Act of 1996 was inapplicable to pending cases, relied heavily on the observation that chapter 154 of that Act included explicit language making it applicable to such cases. The "negative inference" argument is inapposite here. In *Lindh*, the negative inference arose from the fact that the two chapters addressed similar issues, see *ibid.*; here, §§802 and 803 address wholly distinct subject matters. Finally, respon-

dents' attempt to bolster their "negative inference" argument with the legislative history– which indicates that §803's attorney's fees limitations were originally part of §802, along with language making them applicable to pending cases– overstates the inferences that can be drawn from an ambiguous act of legislative drafting. Pp. 9–12.

(d) Application of §803(d)(3) in parts of this case would have retroactive effects inconsistent with the usual rule that legislation is deemed to be prospective. Pp. 12–17.

(1) This inquiry demands a commonsense, functional judgment about whether the new provision attaches new legal consequences to events completed before its enactment. *Landgraf*, 511 U. S., at 270. This judgment should be informed and guided by familiar considerations of fair notice, reasonable reliance, and settled expectations. *Ibid*. P. 12.

(2) For postjudgment monitoring performed before the PLRA's effective date, the attorney's fees provisions have a retroactive effect contrary to the usual assumption that statutes are prospective in operation. The attorneys in both cases below had a reasonable expectation that work they performed before the PLRA's enactment would be compensated at the pre-PLRA rates set by the District Court. The PLRA, as applied to work performed before its effective date, would alter the fee arrangement *post hoc* by reducing the compensation rate. To give effect to the PLRA's fees limitations, after the fact, would attach new legal consequences to completed conduct. *Landgraf*, *supra*, at 270. The Court rejects petitioners' contention that the application of a new attorney's fees provision is proper in that fees questions do not change the parties' substantive obligations because they are collateral to the main cause of action. When determining whether a new statute operates retroactively, it is not enough to attach a label (*e.g.*, "procedural," "collateral") to the statute; it must be asked whether the statute operates retroactively, as does the PLRA. Petitioners also misplace their reliance on *Bradley* v. *School Bd. of Richmond*, 416 U. S. 696, 720–721. Unlike the situation here, the award of statutory attorney's fees in that case did not upset any reasonable expectations of the parties. See *Landgraf*, 511 U. S., at 276–279. Thus, in the absence of an express command by Congress to apply the PLRA retroactively, the Court declines to do so. *Id.*, at 280. Pp. 13–15.

(3) With respect to postjudgment monitoring performed after the PLRA's effective date, by contrast, there is no retroactive effect, and the PLRA fees cap applies to such work. On April 26, 1996, through the PLRA, the plaintiffs' attorneys were on notice that their hourly rate had been adjusted. From that point forward, they would be paid at a rate consistent with the law's dictates, and any expectation of

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compensation at the pre-PLRA rates was unreasonable. The Court rejects respondents' contention that the PLRA has retroactive effect in this context because it attaches new legal consequences (a lower pay rate) to conduct completed before enactment, the attorney's initial decision to file suit on behalf of prisoners. That argument is based on the erroneous assumption that the attorney's initial decision to file a case is irrevocable. Respondents do not seriously contend that the attorneys here were prohibited from withdrawing from the case during the postjudgment monitoring stage. Pp. 15–16.

143 F. 3d 246, affirmed in part and reversed in part.

O'CONNOR, J., delivered the opinion of the Court, in which REHNQUIST, C. J., and KENNEDY, SOUTER, THOMAS, and BREYER, JJ., joined, in which SCALIA, J., joined as to all but Part II–B, and in which STEVENS and GINSBURG, JJ., joined as to Parts I, II–A–1, and II–B–1. SCALIA, J., filed an opinion concurring in part and concurring in the judgment. GINSBURG, J., filed an opinion concurring in part and dissenting in part, in which STEVENS, J., joined.