



Revenue Interim Committee

68th Montana Legislature

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TO: Members of the Revenue Interim Committee

FROM: Megan Moore, Committee staff

DATE: January 11, 2024

RE: Information Request: Paying Property Taxes Through Escrow

This memorandum is in response to a request for information about how many Montana homeowners pay property taxes using an escrow account. The table beginning on the next page shows data on escrow usage in the United States.¹

Less Than Half of Montana Homeowners Pay Property Taxes Through Escrow

Among Montana homeowner households, 44% paid property taxes through escrow in 2021. An additional 11% have a mortgage but do not use an escrow account for property tax payments, while 41% do not have access to an escrow account because they do not have a mortgage.

When compared with the U.S. average for 2021, Montana homeowner households are less likely to have a mortgage but not use an escrow account: 16% in Montana compared with a national average of 11%.

Escrow Account Usage in Montana Increases Over Last 10 Years

Compared with 2011, the 2021 escrow account usage in Montana increased. Homeowner households are two percentage points more likely to have a mortgage with escrow and five percentage points less likely to have a mortgage with no escrow account. The share of homeowner households without a mortgage also decreased by one percentage point.

Homeowners Over 65 Much Less Likely to Use Escrow Than Younger Homeowners

There is a stark difference in escrow usage based on age in Montana. In 2021, 80% of homeowner households under age 65 paid property taxes through escrow compared with just 20% of homeowner households with a member 65 or older.

Over the past 10 years, the use of escrow by households under 65 decreased but use increased for households over age 65.

¹ U.S. Census Bureau; American Community Survey (ACS), 5-Year Public Use Microdata Samples, 2007-2011 and 2017-2021; generated by Dan Kayser; accessed via <https://data.census.gov/mdat/#/>; Jan. 10, 2024.

	Percent, Mortgage with Property Tax Escrow		Percent, Mortgage, No Property Tax Escrow		No Mortgage		Homeowners with Property Tax Escrow, Under 65		Homeowners with Property Tax Escrow, Over 65	
	2011	2021	2011	2021	2011	2021	2011	2021	2011	2021
Alabama	38%	40%	22%	14%	40%	42%	88%	80%	12%	20%
Alaska	56%	52%	13%	9%	47%	47%	90%	82%	10%	18%
Arizona	56%	54%	15%	8%	45%	42%	83%	73%	17%	27%
Arkansas	36%	39%	23%	15%	43%	44%	87%	80%	13%	20%
California	32%	40%	43%	28%	49%	49%	84%	74%	16%	26%
Colorado	62%	60%	14%	10%	41%	40%	88%	80%	12%	20%
Connecticut	53%	52%	19%	14%	37%	40%	87%	80%	13%	20%
Delaware	54%	54%	17%	10%	40%	39%	85%	74%	15%	26%
District of Columbia	55%	60%	23%	16%	63%	62%	85%	81%	15%	19%
Florida	42%	44%	23%	12%	45%	45%	81%	72%	19%	28%
Georgia	50%	51%	22%	13%	43%	43%	88%	79%	12%	21%
Hawaii	54%	52%	15%	12%	49%	48%	74%	64%	26%	36%
Idaho	51%	53%	18%	11%	39%	37%	88%	79%	12%	21%
Illinois	40%	43%	29%	19%	38%	40%	89%	82%	11%	18%
Indiana	45%	48%	25%	16%	37%	37%	89%	82%	11%	18%
Iowa	39%	44%	24%	15%	33%	35%	92%	86%	8%	14%
Kansas	46%	46%	18%	11%	38%	40%	90%	82%	10%	18%
Kentucky	33%	39%	29%	17%	39%	41%	89%	82%	11%	18%
Louisiana	31%	37%	25%	15%	42%	44%	88%	82%	12%	18%
Maine	34%	40%	31%	19%	45%	43%	90%	81%	10%	19%
Maryland	62%	61%	15%	10%	39%	39%	86%	77%	14%	23%
Massachusetts	50%	52%	22%	16%	43%	43%	88%	80%	12%	20%
Michigan	38%	41%	29%	18%	38%	37%	89%	81%	11%	19%
Minnesota	49%	50%	22%	14%	34%	35%	91%	85%	9%	15%
Mississippi	31%	35%	25%	14%	40%	42%	88%	81%	12%	19%

	Percent, Mortgage with Property Tax Escrow		Percent, Mortgage, No Property Tax Escrow		No Mortgage		Homeowners with Property Tax Escrow, Under 65		Homeowners with Property Tax Escrow, Over 65	
	2011	2021	2011	2021	2011	2021	2011	2021	2011	2021
Missouri	45%	48%	21%	12%	40%	41%	88%	81%	12%	19%
Montana	42%	44%	16%	11%	42%	41%	89%	80%	11%	20%
Nebraska	46%	47%	18%	11%	39%	39%	91%	86%	9%	14%
Nevada	61%	59%	15%	8%	50%	48%	82%	72%	18%	28%
New Hampshire	42%	46%	28%	17%	39%	39%	90%	82%	10%	18%
New Jersey	51%	50%	20%	14%	40%	42%	86%	79%	14%	21%
New Mexico	45%	43%	16%	9%	41%	42%	86%	74%	14%	26%
New York	42%	40%	23%	18%	51%	52%	85%	78%	15%	22%
North Carolina	45%	49%	23%	13%	42%	43%	88%	79%	12%	21%
North Dakota	36%	40%	19%	12%	41%	46%	93%	88%	7%	12%
Ohio	43%	45%	25%	16%	39%	40%	88%	81%	12%	19%
Oklahoma	40%	42%	20%	12%	41%	43%	88%	81%	12%	19%
Oregon	42%	49%	28%	16%	43%	42%	87%	76%	13%	24%
Pennsylvania	37%	41%	26%	17%	37%	38%	89%	82%	11%	18%
Rhode Island	45%	49%	27%	17%	45%	45%	88%	80%	12%	20%
South Carolina	38%	44%	26%	14%	42%	40%	86%	78%	14%	22%
South Dakota	41%	43%	19%	12%	40%	39%	92%	86%	8%	14%
Tennessee	40%	45%	23%	14%	39%	41%	88%	80%	12%	20%
Texas	38%	41%	25%	16%	44%	44%	89%	83%	11%	17%
Utah	59%	59%	15%	10%	36%	36%	90%	85%	10%	15%
Vermont	25%	31%	42%	29%	43%	43%	90%	83%	10%	17%
Virginia	56%	57%	16%	11%	39%	40%	87%	78%	13%	22%
Washington	52%	55%	21%	12%	42%	41%	88%	79%	12%	21%
West Virginia	23%	30%	28%	15%	38%	39%	88%	80%	12%	20%
Wisconsin	34%	39%	34%	24%	40%	41%	92%	85%	8%	15%
Wyoming	46%	49%	16%	9%	41%	39%	91%	81%	9%	19%
-> Total	43%	45%	25%	16%	42%	43%	87%	79%	13%	21%